

HOUSE BILL 928

Q4

5lr2606

By: **Delegate Walker**

Introduced and read first time: February 13, 2015

Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Sales and Use Tax – Agricultural Products and Equipment – Repeal of**
3 **Exemption**

4 FOR the purpose of repealing a certain exemption from the sales and use tax for certain
5 agricultural products and equipment; and generally relating to the application of the
6 sales and use tax to agricultural products and equipment.

7 BY repealing

8 Article – Tax – General

9 Section 11–201

10 Annotated Code of Maryland

11 (2010 Replacement Volume and 2014 Supplement)

12 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
13 That the Laws of Maryland read as follows:

14 **Article – Tax – General**

15 [11–201.

16 (a) The sales and use tax does not apply to a sale of the following items for an
17 agricultural purpose:

18 (1) livestock;

19 (2) feed or bedding for livestock;

20 (3) seed, fertilizer, fungicide, herbicide, or insecticide;

21 (4) baler twine or wire;

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (5) fuel for use in farm equipment or a farm tractor, as defined in §§
2 11–120 and 11–121 of the Transportation Article; and

3 (6) if bought by a farmer:

4 (i) a container to transport farm products that the farmer raises to
5 market;

6 (ii) a farm vehicle, as defined in § 13–911(c) of the Transportation
7 Article, when used in farming;

8 (iii) a milking machine, when used in farming;

9 (iv) fabrication, processing, or service, by a sawmill, of wood products
10 for farm use in which the farmer retains title; and

11 (v) farm equipment when used to:

12 1. raise livestock;

13 2. prepare, irrigate, or tend the soil; or

14 3. plant, service, harvest, store, clean, dry, or transport seeds
15 or crops.

16 (b) Except for flowers, sod, decorative trees and shrubs, and any other product
17 that usually is sold by a nursery or horticulturist, the sales and use tax does not apply to a
18 sale of an agricultural product by a farmer.]

19 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
20 1, 2015.