

SENATE BILL 358

Q4

0lr3120
CF 0lr0846

By: **Senators Serafini and Edwards**

Introduced and read first time: January 24, 2020

Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **Sales and Use Tax Refund – Target Redevelopment Area – Washington County**

3 FOR the purpose of authorizing certain persons to claim a refund for the sales and use tax
4 imposed on the sale of certain construction material and warehousing equipment
5 purchased during a certain period of time solely for use in a target redevelopment
6 area in Washington County; requiring the person, in order to receive the refund, to
7 file with the Comptroller, on or after a certain date, a certain claim and provide to
8 the Comptroller certain evidence; limiting the aggregate amount of sales and use tax
9 refunds that may be issued by the Comptroller during a certain period; requiring the
10 Comptroller to approve claims for refunds on a first–come, first–served basis and to
11 adopt certain regulations; defining certain terms; and generally relating to a sales
12 and use tax refund for the purchase of construction material and warehousing
13 equipment for use in a target redevelopment area.

14 BY adding to

15 Article – Tax – General

16 Section 11–412

17 Annotated Code of Maryland

18 (2016 Replacement Volume and 2019 Supplement)

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

21 **Article – Tax – General**

22 **11–412.**

23 **(A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS**
24 **INDICATED.**

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 **(2) (I) “CONSTRUCTION MATERIAL” MEANS AN ITEM OF TANGIBLE**
2 **PERSONAL PROPERTY THAT IS USED TO CONSTRUCT OR RENOVATE A BUILDING, A**
3 **STRUCTURE, OR AN IMPROVEMENT ON LAND AND THAT TYPICALLY LOSES ITS**
4 **SEPARATE IDENTITY AS PERSONAL PROPERTY ONCE INCORPORATED INTO THE**
5 **REAL PROPERTY.**

6 **(II) “CONSTRUCTION MATERIAL” INCLUDES BUILDING**
7 **MATERIALS, BUILDING SYSTEMS EQUIPMENT, LANDSCAPING MATERIALS, AND**
8 **SUPPLIES.**

9 **(3) “TARGET REDEVELOPMENT AREA” MEANS ANY REAL PROPERTY**
10 **IN WASHINGTON COUNTY OWNED OR LEASED BY A PERSON THAT IS PART OF THE**
11 **TOWN CENTRE AT CASCADE.**

12 **(4) “WAREHOUSING EQUIPMENT” MEANS EQUIPMENT USED FOR**
13 **MATERIAL HANDLING AND STORAGE, INCLUDING RACKING SYSTEMS, CONVEYING**
14 **SYSTEMS, AND COMPUTER SYSTEMS AND EQUIPMENT.**

15 **(B) SUBJECT TO SUBSECTIONS (C) AND (D) OF THIS SECTION, A PERSON IS**
16 **ENTITLED TO A REFUND FOR THE AMOUNT OF SALES AND USE TAX PAID BY THE**
17 **PERSON DURING THE IMMEDIATELY PRECEDING CALENDAR YEAR FOR A SALE OF**
18 **CONSTRUCTION MATERIAL OR WAREHOUSING EQUIPMENT MADE ON OR AFTER**
19 **JANUARY 1, 2021, BUT BEFORE JANUARY 1, 2026, IF THE MATERIAL OR EQUIPMENT**
20 **IS PURCHASED BY THE PERSON SOLELY FOR USE IN A TARGET REDEVELOPMENT**
21 **AREA.**

22 **(C) A PERSON MAY CLAIM THE REFUND AUTHORIZED UNDER SUBSECTION**
23 **(B) OF THIS SECTION BY:**

24 **(1) ON OR AFTER JANUARY 1 OF THE CALENDAR YEAR IMMEDIATELY**
25 **FOLLOWING THE PURCHASE OF THE CONSTRUCTION MATERIAL OR WAREHOUSING**
26 **EQUIPMENT, FILING A CLAIM FOR A REFUND WITH THE COMPTROLLER; AND**

27 **(2) PROVIDING THE COMPTROLLER WITH ANY EVIDENCE THAT THE**
28 **COMPTROLLER REQUIRES BY REGULATION.**

29 **(D) (1) THE COMPTROLLER MAY NOT ISSUE SALES AND USE TAX**
30 **REFUNDS UNDER THIS SECTION IN AMOUNTS IN THE AGGREGATE TOTALING MORE**
31 **THAN \$500,000 IN A FISCAL YEAR.**

32 **(2) THE COMPTROLLER SHALL APPROVE ALL CLAIMS THAT QUALIFY**
33 **FOR REFUNDS UNDER THIS SECTION ON A FIRST-COME, FIRST-SERVED BASIS.**

1 **(E) THE COMPTROLLER SHALL ADOPT REGULATIONS TO CARRY OUT THE**
2 **PROVISIONS OF THIS SECTION AND TO SPECIFY CRITERIA AND PROCEDURES FOR**
3 **THE APPLICATION FOR AND APPROVAL OF SALES AND USE TAX REFUNDS UNDER**
4 **THIS SECTION.**

5 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
6 1, 2020.