

HOUSE BILL 1079

Q7

11r2401

By: **Delegate Attar**

Introduced and read first time: February 5, 2021

Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Admissions and Amusement Tax – Exemption – Activities That Promote Health**
3 **and Physical Well-Being**

4 FOR the purpose of altering the definition of “admissions and amusement charge” for
5 purposes of the admissions and amusement tax to exclude a charge for use of a
6 recreational or sports facility or use or rental of recreational or sports equipment;
7 prohibiting a county or municipal corporation from imposing the admissions and
8 amusement tax on gross receipts derived from any charge for participating in an
9 activity that promotes health or physical well-being or for admission to an
10 establishment that offers activities that promote health or physical well-being; and
11 generally relating to an exemption from the admissions and amusement tax for
12 activities that promote health and physical well-being.

13 BY repealing and reenacting, without amendments,
14 Article – Tax – General
15 Section 4–101(a)
16 Annotated Code of Maryland
17 (2016 Replacement Volume and 2020 Supplement)

18 BY repealing and reenacting, with amendments,
19 Article – Tax – General
20 Section 4–101(b) and 4–103(b)
21 Annotated Code of Maryland
22 (2016 Replacement Volume and 2020 Supplement)

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

25 **Article – Tax – General**

26 4–101.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (a) In this title the following words have the meanings indicated.

2 (b) (1) "Admissions and amusement charge", unless expressly provided
3 otherwise, means a charge for:

4 (i) admission to a place, including any additional separate charge
5 for admission within an enclosure;

6 (ii) use of a game of entertainment; **AND**

7 (iii) [use of a recreational or sports facility;

8 (iv) use or rental of recreational or sports equipment; and

9 (v)] merchandise, refreshments, or a service sold or served in
10 connection with entertainment at a nightclub or room in a hotel, restaurant, hall, or other
11 place where dancing privileges, music, or other entertainment is provided.

12 (2) "Admissions and amusement charge" does not include a charge for
13 admission to a political fundraising event.

14 4-103.

15 (b) The admissions and amusement tax may not be imposed by a county or
16 municipal corporation on gross receipts:

17 (1) derived from any charge for merchandise, refreshments, or a service
18 sold or served at a place where:

19 (i) dancing is prohibited; and

20 (ii) the only entertainment provided is mechanical music, radio, or
21 television;

22 (2) derived from any charge for admission to:

23 (i) a live boxing or wrestling match; or

24 (ii) a concert or theatrical event presented or offered by a nonprofit
25 group that:

26 1. is organized and operated to present or offer an annual
27 series of scheduled musical concerts; or

28 2. is organized and operated for a cultural purpose and
29 receives a grant directly or indirectly from the Maryland State Arts Council;

1 (3) derived from any charge for admission to or use of:

2 (i) a facility or equipment in connection with a bingo game that is
3 operated in accordance with § 13–507 of the Criminal Law Article;

4 (ii) a bowling alley or lane;

5 (iii) a charter fishing boat; or

6 (iv) a nontethered hot air balloon;

7 (4) derived from any charge for admission or for merchandise,
8 refreshments, or a service, if the gross receipts are used exclusively for:

9 (i) a charitable, educational, or religious purpose;

10 (ii) a volunteer fire company or nonprofit rescue squad;

11 (iii) a fraternal, service, or veterans' organization chartered by a
12 grant of Congress; or

13 (iv) the improvement, maintenance, or operation of an agricultural
14 fair, if no net earnings inure to the benefit of any stockholder or member of the association
15 that conducts the fair; [or]

16 (5) obtained at admission and used for the cost of prizes or as money
17 winnings distributed, as part of its operation, by a commercial bingo game in Anne Arundel
18 County; OR

19 **(6) DERIVED FROM ANY CHARGE FOR:**

20 **(I) PARTICIPATING IN AN ACTIVITY THAT PROMOTES HEALTH**
21 **AND PHYSICAL WELL-BEING; OR**

22 **(II) ADMISSION TO AN ESTABLISHMENT THAT OFFERS**
23 **ACTIVITIES THAT PROMOTE HEALTH AND PHYSICAL WELL-BEING, INCLUDING**
24 **TENNIS CENTERS, FITNESS CENTERS, AND GYMNASIUMS.**

25 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
26 1, 2021.