

HOUSE BILL 1002

Q4

2lr2265
CF SB 800

By: **Delegates Luedtke and Sample-Hughes**
Introduced and read first time: February 10, 2022
Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Sales and Use Tax – Electricity for Agricultural Purposes – Exemption**

3 FOR the purpose of providing an exemption from the sales and use tax for the sale of
4 electricity used for agricultural purposes under certain circumstances; and generally
5 relating to a sales and use tax exemption for agricultural purposes.

6 BY repealing and reenacting, with amendments,
7 Article – Tax – General
8 Section 11–201(a)
9 Annotated Code of Maryland
10 (2016 Replacement Volume and 2021 Supplement)

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

13 **Article – Tax – General**

14 11–201.

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

17 (1) livestock;

18 (2) feed or bedding for livestock;

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

20 (4) baler twine or wire;

21 (5) fuel for use in farm equipment or a farm tractor, as defined in §§

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 11–120 and 11–121 of the Transportation Article; and

2 (6) if bought by a farmer:

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

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

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

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

10 (v) farm equipment when used to:

11 1. raise livestock;

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

13 3. plant, service, harvest, store, clean, dry, or transport seeds
14 or crops; AND

15 (VI) ELECTRICITY WHEN USED TO:

16 1. RAISE LIVESTOCK OR POULTRY;

17 2. PREPARE, IRRIGATE, OR TEND THE SOIL; OR

18 3. PLANT, SERVICE, HARVEST, STORE, CLEAN, DRY, OR
19 TRANSPORT SEEDS OR CROPS.

20 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
21 1, 2022.