

# SENATE BILL 640

Q4  
SB 800/22 – B&T

3lr2097

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By: ~~Senator Jackson~~ Senators Jackson, Bailey, Benson, Corderman, Elfreth, Guzzone, Hester, Hettleman, Jennings, King, McCray, Rosapepe, Salling, and Zucker

Introduced and read first time: February 6, 2023  
Assigned to: Budget and Taxation

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Committee Report: Favorable with amendments  
Senate action: Adopted  
Read second time: March 9, 2023

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## CHAPTER \_\_\_\_\_

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 (2022 Replacement Volume)

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;

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



- 1           (2)    feed or bedding for livestock;
- 2           (3)    seed, fertilizer, fungicide, herbicide, or insecticide;
- 3           (4)    baler twine or wire;
- 4           (5)    fuel for use in farm equipment or a farm tractor, as defined in §§  
5 11–120 and 11–121 of the Transportation Article; and
- 6           (6)    if bought by a farmer:
- 7               (i)    a container to transport farm products that the farmer raises to  
8 market;
- 9               (ii)   a farm vehicle, as defined in § 13–911(c) of the Transportation  
10 Article, when used in farming;
- 11            (iii)   a milking machine, when used in farming;
- 12            (iv)   fabrication, processing, or service, by a sawmill, of wood products  
13 for farm use in which the farmer retains title; [and]
- 14            (v)    farm equipment when used to:
- 15                   1.    raise livestock;
- 16                   2.    prepare, irrigate, or tend the soil; or
- 17                   3.    plant, service, harvest, store, clean, dry, or transport seeds  
18 or crops; AND
- 19            **(VI)    ELECTRICITY WHEN USED TO:**
- 20                   **1.    RAISE LIVESTOCK OR POULTRY;**
- 21                   **2.    PREPARE, IRRIGATE, OR TEND THE SOIL; OR**
- 22                   **3.    PLANT, SERVICE, HARVEST, STORE, CLEAN, DRY, OR**  
23 **TRANSPORT SEEDS OR CROPS.**

24           SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July  
25 1, 2023. It shall remain effective for a period of 2 years and, at the end of June 30, 2025,  
26 this Act, with no further action required by the General Assembly, shall be abrogated and  
27 of no further force and effect.

Approved:

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Governor.

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President of the Senate.

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Speaker of the House of Delegates.