

SB0893/283229/1

BY: Economic Matters Committee

AMENDMENTS TO SENATE BILL 893
(Third Reading File Bill)

AMENDMENT NO. 1

On page 1, in line 8, after “Act;” insert “altering the definition of “taxable price” for the purposes of certain provisions of law governing the State sales and use tax to clarify the exclusion from the tax of a certain amount collected due to rounding the price for a good or service in accordance with certain provisions of this Act;”.

On page 2, after line 3, insert:

“BY repealing and reenacting, without amendments,
Article – Tax – General
Section 11–101(a) and (l)(1)
Annotated Code of Maryland
(2022 Replacement Volume and 2025 Supplement)

BY repealing and reenacting, with amendments,
Article – Tax – General
Section 11–101(l)(3)
Annotated Code of Maryland
(2022 Replacement Volume and 2025 Supplement)”.

AMENDMENT NO. 2

On page 4, after line 30, insert:

“Article – Tax – General

11–101.

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

(l) (1) “Taxable price” means the value, in money, of the consideration of any kind that is paid, delivered, payable, or deliverable by a buyer to a vendor in the

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consummation and complete performance of a sale without deduction for any expense or cost, including the cost of:

- (i) any labor or service rendered;
- (ii) any material used; or
- (iii) any property, digital code, or digital product sold.

(3) "Taxable price" does not include:

(i) a charge that is made in connection with a sale and is stated as a separate item of the consideration for:

1. a delivery, freight, or other transportation service for delivery directly to the buyer by the vendor or by another person acting for the vendor, unless the transportation service is a taxable service;

2. a finance charge, interest, or similar charge for credit extended to the buyer;

3. a labor or service for application or installation;

4. a mandatory gratuity or service charge in the nature of a tip for serving food or beverage to a group of 10 or fewer individuals for consumption on the premises of the vendor;

5. a professional service;

6. a tax:

A. imposed by a county on the sale of coal, electricity, oil, nuclear fuel assemblies, steam, or artificial or natural gas;

B. imposed under § 3-302(a) of the Natural Resources Article, as a surcharge on electricity, and added to an electric bill;

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C. imposed under §§ 6–201 through 6–203 of the Tax – Property Article, on tangible personal property subject to a lease that is for an initial period that exceeds 1 year and is noncancellable except for cause; or

D. imposed under § 4–102 of this article on the gross receipts derived from an admissions and amusement charge;

7. any service for the operation of equipment used for the production of audio, video, or film recordings; or

8. reimbursement of incidental expenses paid to a third party and incurred in connection with providing a taxable detective service;

(ii) the value of a used component or part (core value) received from a purchaser of the following remanufactured truck parts:

1. an air brake system;

2. an engine;

3. a rear axle carrier; or

4. a transmission;

(iii) a charge for a nontaxable service that is made in connection with a sale of a taxable communication service, even if the nontaxable charges are aggregated with and not separately stated from the taxable charges for communications services, if the vendor can reasonably identify charges not subject to tax from its books and records that are kept in the regular course of business; [or]

(iv) a transportation network company impact fee imposed under § 10–408 of the Public Utilities Article; OR

(V) AN AMOUNT NOT EXCEEDING 2 CENTS COLLECTED DUE TO ROUNDING THE PRICE FOR A GOOD OR SERVICE IN ACCORDANCE WITH TITLE 1, SUBTITLE 6 OF THE BUSINESS REGULATION ARTICLE.”