

Chapter 237

(House Bill 530)

AN ACT concerning

Sales and Use Tax – Tax-Free Period for Back-to-School Shopping – Sale of Backpacks and Bookbags

FOR the purpose of altering a certain sales and use tax exemption to include a certain portion of the taxable price of certain backpacks and bookbags, subject to certain limitations; and generally relating to the designation of a certain annual sales tax-free period in the State.

BY repealing and reenacting, with amendments,

Article – Tax – General

Section 11–228

Annotated Code of Maryland

(2016 Replacement Volume)

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

Article – Tax – General

11–228.

(a) In this section, “accessory items” includes jewelry, watches, watchbands, handbags, handkerchiefs, umbrellas, scarves, ties, headbands, and belt buckles.

(b) (1) Beginning in calendar year 2010, the 7-day period from the second Sunday in August through the following Saturday shall be a tax-free period for back-to-school shopping in Maryland during which the exemption under paragraph (2) of this subsection shall apply.

(2) During the tax-free period for back-to-school shopping established under paragraph (1) of this subsection, the sales and use tax does not apply to ~~the sale of~~:

(I) THE SALE OF any item of clothing or footwear, excluding accessory items, if the taxable price of the item of clothing or footwear is \$100 or less; **OR**

(II) THE FIRST \$50 \$40 OF THE TAXABLE PRICE OF ANY BACKPACK OR BOOKBAG, IF THE TAXABLE PRICE OF THE BACKPACK OR BOOKBAG IS \$100 OR LESS.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2017.

Approved by the Governor, April 18, 2017.