

10 AN ACT CONCERNING

20 **Sales and Use Tax - Film Production Activity - Smoking**

30 FOR the purpose of providing an exception to a certain exemption under the sales and  
40 use tax for a sale of tangible personal property or a taxable service used directly  
50 in connection with a film production activity that contains scenes in which  
60 actors are smoking; and generally relating to an exception to a certain  
70 exemption under the sales and use tax for a sale of tangible personal property or  
80 a taxable service used directly in connection with a film production activity that  
90 contains scenes in which actors are smoking.

100 BY repealing and reenacting, with amendments,  
110 Article - Tax - General  
120 Section 11-227  
130 Annotated Code of Maryland  
140 (1997 Replacement Volume and 2001 Supplement)

150 SECTION 1. BE IT ENACTED BY THE MARYLAND STUDENT LEGISLATURE, That the Laws of  
160 Maryland read as follows:

170 **Article - Tax - General**

180 § 11-227.

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

200 (2) (i) "Film production activity" means the production or  
210 postproduction of film or video projects including feature films, television projects,  
220 commercials, corporate films, infomercials, music videos, or other projects for which  
230 the producer or production company will be compensated, and which are intended for  
240 nationwide commercial distribution.

250 (ii) "Film production activity" includes the production or  
260 postproduction of digital, animation, and multimedia projects.

270 (iii) "Film production activity" does not include:

280 1. production or postproduction of student films or  
290 noncommercial personal videos; or

300 2. any activity not necessary to and undertaken directly and  
310 exclusively for the making of a master film, tape, or image.

320 (3) "Tangible personal property or a taxable service used directly in  
330 connection with a film production activity" includes:

340 (i) camera equipment and supplies;

350 (ii) film and tape;

360 (iii) lighting and stage equipment and supplies;

370 (iv) sound equipment and supplies;

- 380 (v) recording equipment and supplies;  
390 (vi) costumes, wardrobes, and materials to construct them;  
400 (vii) props, scenery, and materials to construct them;  
410 (viii) design supplies and equipment;  
420 (ix) drafting supplies and equipment;  
430 (x) special effects supplies and equipment;  
440 (xi) short-term vehicle rentals; and  
450 (xii) fabrication, printing, or production of scripts, storyboards,  
460 costumes, wardrobes, props, scenery, or special effects.

470 (b) ~~The~~ EXCEPT AS PROVIDED IN SUBSECTION (C) OF THIS SECTION, THE  
480 sales and use tax does not apply to a sale of tangible personal property or a taxable  
490 service used directly in connection with a film production activity by a film producer  
500 or production company certified by the Department of Business and Economic  
510 Development under Article 83A, § 4-501 of the Code.

520 (C) THE EXEMPTION IN SUBSECTION (B) OF THIS SECTION DOES NOT APPLY  
530 TO A SALE OF TANGIBLE PERSONAL PROPERTY OR A TAXABLE SERVICE USED  
540 DIRECTLY IN CONNECTION WITH A FILM PRODUCTION ACTIVITY THAT CONTAINS  
550 SCENES IN WHICH ACTORS ARE SMOKING.

560 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
570 July 1, 2002.

580 MANDATES: Senator Barbara Hoffman  
590 Senator Donald Munson  
600 Senator P. J. Hogan

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