

A016-0304

10 AN ACT concerning

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Tax – General - General Provisions - Limitations

30 FOR the purpose of imposing a maximum percentage of a good or service to which the legislature
40 can impose a tax; relating to the maximum taxable rate; providing for exclusions from the
50 limitation; and generally relating to tax rates in the state of Maryland.

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BY creating

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Tax Code- General Provisions - Limitations

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Section § 1-206

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Annotated Code of Maryland

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(2003 Replacement Volume)

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SECTION 1: BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the

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Laws of Maryland read as follows:

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Article - Maximum Tax Rate

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§ 1-206

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1 (a) Except as provided in section (b) of this subtitle, the legislature of the state of Maryland
160 may not pass, and the Governor may not confirm, any rate of taxation on a good, service,
170 or commodity that meets or exceeds 25% of the total value of that good, service, or
180 commodity.

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(b) Any good or commodity which is considered a luxury item by the state of Maryland has
200 no limit on the rate of taxation which may be passed into law.

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SECTION 2: AND BE IT FURTHER ENACTED, That this Act shall take effect 32 October 1,

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2004.

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MANDATES: Governor Robert L. Ehrlich

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Lt. Governor Michael S. Steele

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Comptroller William Donald Schaffer

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Senate President Thomas V. "Mike" Miller

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Speaker of the House of Delegates Michael E. Busch

Sponsor:

Brian Young

Salisbury University

2226 Gelding Way

Bel Air, MD 21015-8924

Fobgbrianyoung@hotmail.com