

Sales/Use/Indirect:

Maryland: Newly Adopted Rules Reflect State Law Taxation of Digital Products

Adopted Regs. Sections 03.06.01.01, 03.06.01.03, 03.06.01.04, et al., Md. Comptroller (eff. 7/11/22). Following Maryland's 2021 enactment of legislation that subjects certain defined "digital products" to Maryland sales and use tax [see H.B. 932 (2020), and *State Tax Matters*, Issue 2021-7, for more details on this new law], as well as subsequently enacted legislation that includes some taxable "digital product" carveouts [see S.B. 787 (2021) and previously issued Multistate Tax Alert for more details on this legislation, and see H.B. 791 (2022)/S.B. 723 (2022) and *State Tax Matters*, Issue 2022-22, for more details on this legislation], the Maryland Comptroller of the Treasury (Comptroller) adopted rules reflecting the law changes, specifically corresponding edits to various state sales and use tax exemptions and exclusions.

URL: http://www.dsd.state.md.us/MDR/4914/Assembled.htm#_Toc107315222

URL: <http://mgaleg.maryland.gov/mgawebsite/Legislation/Details/HB0932?ys=2020RS>

URL: https://dhub.blob.core.windows.net/dhub/Newsletters/Tax/2021/STM/210219_11.html

URL: <http://mgaleg.maryland.gov/mgawebsite/Legislation/Details/sb0787?ys=2021RS>

URL: <https://www2.deloitte.com/content/dam/Deloitte/us/Documents/Tax/us-mta-maryland-enacts-emergency-bill-addressing-taxation-of-digital-advertising-and-digital-products.pdf>

URL: <https://governor.maryland.gov/wp-content/uploads/2022/05/EWS-House-Bills-2022-1.pdf>

URL: <https://governor.maryland.gov/wp-content/uploads/2022/05/EWS-Senate-Bills-2022-1-2.pdf>

URL: https://dhub.blob.core.windows.net/dhub/Newsletters/Tax/2022/STM/220603_6.html

Separately, the Comptroller once again updated its administrative guidance (see Business Tax Tip #29 Sales of Digital Products and Digital Code, Md. Comptroller (rev. 7/22)) containing a "non-exhaustive list" of digital codes and digital products the sale of which is subject to Maryland's 6% sales and use tax if obtained or delivered by electronic means. Please contact us with any questions.

URL: https://marylandtaxes.gov/forms/Business_Tax_Tips/bustip29.pdf

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