



1 place for the sale of tangible personal property or a taxable service directly or  
2 indirectly through an agent or subsidiary;

3 (ii) having an agent, canvasser, representative, salesman,  
4 INDEPENDENT CONTRACTOR, or solicitor operating in the State for the purpose of  
5 delivering, selling, or taking orders for tangible personal property or a taxable service;  
6 or

7 (iii) entering the State on a regular basis to provide service or  
8 repair for tangible personal property.

9 **11-701.1.**

10 **(A) IN THIS SECTION, "SELLER" MEANS A PERSON MAKING SALES OF**  
11 **TANGIBLE PERSONAL PROPERTY OR A TAXABLE SERVICE.**

12 **(B) FOR PURPOSES OF § 11-701(B)(2)(II) OF THIS SUBTITLE, A SELLER**  
13 **SHALL BE PRESUMED TO HAVE AN AGENT, CANVASSER, REPRESENTATIVE,**  
14 **SALESMAN, INDEPENDENT CONTRACTOR, OR SOLICITOR OPERATING IN THE**  
15 **STATE FOR THE PURPOSE OF SELLING OR TAKING ORDERS FOR TANGIBLE**  
16 **PERSONAL PROPERTY OR A TAXABLE SERVICE IF:**

17 **(1) THE SELLER ENTERS INTO AN AGREEMENT WITH A RESIDENT**  
18 **OF THE STATE UNDER WHICH THE RESIDENT, FOR A COMMISSION OR OTHER**  
19 **CONSIDERATION, DIRECTLY OR INDIRECTLY REFERS POTENTIAL CUSTOMERS**  
20 **TO THE SELLER, WHETHER BY A LINK ON AN INTERNET WEB SITE, OR**  
21 **OTHERWISE; AND**

22 **(2) THE CUMULATIVE GROSS RECEIPTS FROM SALES BY THE**  
23 **SELLER TO CUSTOMERS IN THE STATE WHO ARE REFERRED TO THE SELLER BY**  
24 **ALL RESIDENTS HAVING AN AGREEMENT WITH THE SELLER AS DESCRIBED IN**  
25 **ITEM (1) OF THIS SUBSECTION IS GREATER THAN \$10,000 DURING THE**  
26 **PRECEDING FOUR QUARTERLY PERIODS ENDING ON THE LAST DAY OF**  
27 **FEBRUARY, MAY, AUGUST, AND NOVEMBER.**

28 **(C) THE PRESUMPTION UNDER THIS SECTION MAY BE REBUTTED BY**  
29 **PROOF THAT THE RESIDENT WITH WHOM THE SELLER HAS AN AGREEMENT AS**  
30 **DESCRIBED IN SUBSECTION (B)(1) OF THIS SECTION DID NOT ENGAGE IN ANY**  
31 **SOLICITATION IN THE STATE ON BEHALF OF THE SELLER THAT WOULD SATISFY**  
32 **THE NEXUS REQUIREMENT OF THE UNITED STATES CONSTITUTION DURING**  
33 **THE FOUR QUARTERLY PERIODS IN QUESTION.**

34 **(D) THIS SECTION MAY NOT BE CONSTRUED TO NARROW THE SCOPE OF**  
35 **THE TERMS "AGENT", "CANVASSER", "REPRESENTATIVE", "SALESMAN",**  
36 **"INDEPENDENT CONTRACTOR", AND "SOLICITOR" FOR PURPOSES OF §**

**11-701(B)(2)(II) OF THIS SUBTITLE OR FOR PURPOSES OF ANY OTHER PROVISION OF LAW.**

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**(b) (1) [The] EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION, THE tobacco tax rate for other tobacco products is [15%] 20% of the wholesale price of the tobacco products.**

**(2) (I) IN THIS PARAGRAPH, “PREMIUM CIGARS” HAS THE MEANING STATED IN § 16.5-101 OF THE BUSINESS REGULATION ARTICLE.**

**(II) EXCEPT AS PROVIDED IN SUBPARAGRAPH (III) OF THIS PARAGRAPH, THE TOBACCO TAX RATE FOR CIGARS IS 70% OF THE WHOLESALE PRICE OF THE CIGARS.**

**(III) THE TOBACCO TAX RATE FOR PREMIUM CIGARS IS 20% OF THE WHOLESALE PRICE OF THE PREMIUM CIGARS.**

SECTION 3. AND BE IT FURTHER ENACTED, That the Laws of Maryland read as follows:

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**(f) (7) (I) IN THIS PARAGRAPH, “INDEMNITY MORTGAGE” INCLUDES ANY MORTGAGE, DEED OF TRUST, OR OTHER SECURITY INTEREST IN REAL PROPERTY THAT SECURES A GUARANTEE OF REPAYMENT OF A LOAN FOR WHICH THE GUARANTOR IS NOT PRIMARILY LIABLE.**

**(II) EXCEPT AS PROVIDED IN SUBPARAGRAPH (III) OF THIS PARAGRAPH:**

**1. SECURED DEBT WITH RESPECT TO AN INDEMNITY MORTGAGE IS DEEMED TO BE INCURRED FOR PURPOSES OF THIS SUBSECTION WHEN AND TO THE SAME EXTENT AS DEBT IS INCURRED ON THE GUARANTEED LOAN; AND**

**2. THE RECORDATION TAX APPLIES UNDER THIS SUBSECTION IN THE SAME MANNER AS IF THE GUARANTOR WERE PRIMARILY LIABLE FOR THE GUARANTEED LOAN.**

**(III) THIS PARAGRAPH DOES NOT APPLY:**