

# Notice to Antique Dealers and Sellers of Used Collectibles - change in the resale certificate law

The Comptroller's Office has the following procedures for handling sales made for resale to out-of-state vendors who are not licensed in Maryland.

**New:** Under legislation enacted in the 2001 session of the Maryland General Assembly, out-of-state vendors purchasing antiques and used collectibles for resale may issue resale certificates in Maryland using a resale number issued by their own jurisdictions. Maryland antique and used collectible dealers who sell to out-of-state buyers who are not registered to collect the Maryland sales and use tax must determine if the items meet the definitions for "antiques" and "used collectibles" below for the resale exclusion to apply.

If vendors are not certain whether a particular item is an antique or used collectible, they should charge the tax and advise the buyer of the right to apply for a refund.

## Definitions

**Antiques** - An antique is defined as any item of personal property that was made in an earlier period and has special value because of its age. Items that meet that standard and are at least 70 years old will be considered an antique for the purpose of qualifying for the resale exclusion.

**Used Collectibles** - A used collectible is an item of personal property that has been previously sold at retail as a new item and in which there is a general interest in collecting. A general interest in the collection of an item is demonstrated by sales of the item at antique and collectible shows, shops, or auctions. The existence of clubs or associations and published books or newsletters dedicated to the collection of the item is further evidence of its general acceptance as a collectible.

**Important.** The law still requires in all situations that vendors who do not deliver goods directly to the buyer's retail place of business must charge the tax on cash, check, or credit card sales of less than \$200.

In addition, the out-of-state dealers must give Maryland vendors a copy of the sales tax license or comparable document (such as a trader's license) from their own jurisdiction that vendors must keep with their records. Merely showing vendors a copy of the license does not satisfy the legal requirement.

## Temporary Maryland sales and use tax permits...

Out-of-state vendors who have been issued a temporary permit to collect the Maryland tax may also use the number on that permit to make tax-free purchases for resale at the show for which the permit was issued. Temporary permits have 10-digit numbers that begin with "7125."

## Regular Maryland sales and use tax licenses...

A short-form registration application, Maryland Sales and Use Tax License Application for Out-of-State Vendors (COT/RAD-097), also makes it easy for out-of-state vendors to get a regular Maryland sales and use tax license. We encourage dealers to make these forms available to out-of-state vendors. This form is available on the Comptroller's Office Web site at [www.marylandtaxes.com](http://www.marylandtaxes.com), or from Taxpayer Service at 410-767-1300 in the Baltimore area and 1-800-492-1751 from elsewhere in Maryland.

Vendors can also register for a Maryland sales and use tax license online, at [www.marylandtaxes.com](http://www.marylandtaxes.com), using the Maryland State **Combined Registration Online Application**.

### **Refund-by-Fax**

In response to vendors' comments, the comptroller revised the Refund-by-Fax form for refund claims for tax paid on purchases for resale (COT/ST-212). The revised form allows applicants to submit a schedule of purchases instead of providing a copy of each invoice. The Refund-by-Fax form, which can also be mailed, allows out-of-state vendors without Maryland sales and use tax licenses to obtain refunds of taxes paid on goods intended for resale in other jurisdictions.

Both Maryland and out-of-state vendors can also use the Refund-by-Fax form to get a refund of taxes paid on cash, check, or credit card purchases for resale when the price is less than \$200 instead of deducting the amount on subsequent sales and use tax returns. This form is available on the Comptroller's Office Web site at [www.marylandtaxes.com](http://www.marylandtaxes.com), or from Taxpayer Service at 410-767-1300 in the Baltimore area and 1-800-492-1751 from elsewhere in Maryland.

### **Verify registration and exemption numbers online**

Businesses can verify Maryland tax registration numbers and Maryland sales and use tax exemption numbers through the Comptroller's Office Web site at [www.marylandtaxes.com](http://www.marylandtaxes.com). Businesses can also print a resale certificate for the purchaser to sign for record-keeping requirements.

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