
By: Delegates McClenahan, V. Mitchell, Frush, Wood, Owings, W. Baker, Bonsack, Conroy, Perry, Brinkley, Poole, and Donoghue

Introduced and read first time: February 22, 1996

Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Boat Excise Tax - Exclusion of Value of Trade-Ins**

3 FOR the purpose of excluding from the computation of the boat excise tax the value, as
4 shown in a certain publication, of any vessel that is traded in as part of the
5 consideration for the sale.

6 BY repealing and reenacting, with amendments,
7 Article - Natural Resources
8 Section 8-716(a)
9 Annotated Code of Maryland
10 (1990 Replacement Volume and 1995 Supplement)

11 BY repealing and reenacting, without amendments,
12 Article - Natural Resources
13 Section 8-716(c)
14 Annotated Code of Maryland
15 (1990 Replacement Volume and 1995 Supplement)

16 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
17 MARYLAND, That the Laws of Maryland read as follows:

18 **Article - Natural Resources**

19 8-716.

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

21 (2) "Fair market value" means:

22 (i) As to the sale of any vessel by a licensed dealer, the total purchase
23 price, as certified by the dealer, LESS THE VALUE OF ANY VESSEL THAT IS TRADED IN
24 AS PART OF THE CONSIDERATION FOR THE SALE, AS SHOWN IN A NATIONAL
25 PUBLICATION OF USED VESSEL VALUES ADOPTED BY THE DEPARTMENT;

26 (ii) As to any other vessel that is sold by any person other than a
27 licensed dealer, the greater of:

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1 1. The total purchase price, LESS THE VALUE OF ANY VESSEL
2 THAT IS TRADED IN AS PART OF THE CONSIDERATION FOR THE SALE, AS SHOWN IN
3 A NATIONAL PUBLICATION OF USED VESSEL VALUES ADOPTED BY THE
4 DEPARTMENT; or

5 2. \$100; or

6 (iii) As to any other vessel that is sold by any person other than a
7 licensed dealer, either:

8 1. The total purchase price, if verified by means of a certified
9 bill of sale approved by the Department, in which the actual price paid for the vessel is
10 stated, LESS THE VALUE OF ANY VESSEL THAT IS TRADED IN AS PART OF THE
11 CONSIDERATION FOR THE SALE, AS SHOWN IN A NATIONAL PUBLICATION OF USED
12 VESSEL VALUES ADOPTED BY THE DEPARTMENT; or

13 2. The valuation shown in a national publication of used vessel
14 values adopted by the Department if a certified bill of sale does not accompany the
15 application, LESS THE VALUE OF ANY VESSEL THAT IS TRADED IN AS PART OF THE
16 CONSIDERATION FOR THE SALE, AS SHOWN IN THAT PUBLICATION.

17 (3) "Used principally in this State" means that this State is the State of
18 principal use as defined in § 8-701(n) of this subtitle, except that in calculating where the
19 vessel is used or used most, a vessel is not considered to be in use for any period of time
20 that it is held for maintenance or repair for 30 consecutive days or more.

21 (4) "Total purchase price" means the price of a vessel, including
22 simultaneously purchased motors, spars, sails, and accessories exclusive of trailer, agreed
23 on by the buyer and seller, with no deduction for trade-in or other nonmonetary
24 consideration.

25 (5) (i) "Vessel" has the meaning indicated in § 8-701(p) of this subtitle.

26 (ii) "Vessel" does not include a ship's lifeboat, a vessel propelled only
27 by sail, or vessel manually propelled.

28 (c) (1) Except as provided in § 8-715(d) of this subtitle and in subsections (e)
29 and (f) of this section, and in addition to the fees prescribed in subsection (b) of this
30 section, an excise tax is levied at the rate of 5% of the fair market value of the vessel on:

31 (i) The issuance of every original certificate of title required for a
32 vessel under this subtitle;

33 (ii) The issuance of every subsequent certificate of title for the sale,
34 resale, or transfer of the vessel;

35 (iii) The sale within the State of every other vessel; and

36 (iv) The possession within the State of a vessel purchased outside the
37 State to be used principally in the State.

38 (2) Notwithstanding the provisions of this subsection, no tax is paid on
39 issuance of any certificate of title if the owner of the vessel for which a certificate of title

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1 is sought was the owner of the vessel prior to June 1, 1965, or paid Maryland sales and use
2 tax on the vessel as required by law at the time of acquisition. The Department may
3 require the applicant for titling to submit satisfactory proof that the applicant owned the
4 vessel prior to June 1, 1965.

5 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
6 July 1, 1996.