
By: **Delegate Hixson**

Introduced and read first time: January 19, 2000

Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Motor Fuel Tax - Tax Rate - Inflationary Adjustment**

3 FOR the purpose of altering the rate of certain taxes imposed on motor vehicle fuel;
4 providing that the rates of motor vehicle fuel tax be determined by a certain
5 index; and generally relating to the motor vehicle fuel tax.

6 BY repealing and reenacting, with amendments,
7 Article - Tax - General
8 Section 9-305
9 Annotated Code of Maryland
10 (1997 Replacement Volume and 1999 Supplement)

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

13 **Article - Tax - General**

14 9-305.

15 (A) [The] SUBJECT TO SUBSECTION (B) OF THIS SECTION, THE motor fuel tax
16 rate is:

- 17 (1) 7 cents for each gallon of aviation gasoline;
- 18 (2) 23.5 cents for each gallon of gasoline other than aviation gasoline;
- 19 (3) 24.25 cents for each gallon of special fuel other than clean-burning
20 fuel or turbine fuel;
- 21 (4) 7 cents for each gallon of turbine fuel; and
- 22 (5) 23.5 cents for each gasoline-equivalent gallon of clean-burning fuel
23 except electricity.

24 (B) (1) FOR THE FISCAL YEAR BEGINNING JULY 1, 2002, AND FOR EACH
25 FISCAL YEAR THEREAFTER, THE MOTOR FUEL TAX RATE FOR EACH MOTOR FUEL

1 SPECIFIED IN SUBSECTION (A) OF THIS SECTION OTHER THAN AVIATION GASOLINE
2 AND TURBINE FUEL SHALL BE INCREASED BY AN AMOUNT DETERMINED BY
3 MULTIPLYING THE RATE BY THE PERCENTAGE INCREASE OF THE MOTOR FUEL
4 COMPONENT OF THE U.S. CONSUMER PRICE INDEX FOR URBAN CONSUMERS FOR
5 THE MOST RECENT 12-MONTH PERIOD AS DETERMINED ON OCTOBER 1 OF THE
6 PRECEDING CALENDAR YEAR BY THE BUREAU OF LABOR STATISTICS OF THE U.S.
7 DEPARTMENT OF LABOR.

8 (2) THE MOTOR FUEL TAX RATE AS DETERMINED IN PARAGRAPH (1) OF
9 THIS SUBSECTION FOR EACH GALLON OF MOTOR FUEL SPECIFIED IN SUBSECTION
10 (A) OF THIS SECTION OTHER THAN AVIATION GASOLINE AND TURBINE FUEL SHALL
11 BE ROUNDED DOWN TO THE NEAREST ONE-QUARTER OF A CENT.

12 (3) IF ANY AMOUNT COMPUTED IN PARAGRAPH (1) OF THIS SUBSECTION
13 IS LESS THAN OR EQUAL TO THE MOTOR FUEL TAX RATE SET FOR THAT FUEL FOR
14 THE PRECEDING FISCAL YEAR, THE MOTOR FUEL TAX RATE FOR THAT FUEL SHALL
15 REMAIN AT THE RATE SET FOR THE PRECEDING FISCAL YEAR.

16 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
17 July 1, 2000.