

# SENATE BILL 90

M1, Q7  
HB 1043/02 – W&M

3lr0366  
CF HB 548

By: **Senator Astle**

Introduced and read first time: January 10, 2013

Assigned to: Budget and Taxation

Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: March 24, 2013

## CHAPTER \_\_\_\_\_

1 AN ACT concerning

2 ~~Natural Resources – Vessel Excise Tax – Maximum Tax~~  
3 Motor Fuel Tax Distribution – Waterway Improvement Fund

4 FOR the purpose of ~~limiting the amount of the vessel excise tax to a certain amount~~  
5 ~~for each vessel; and generally relating to a limitation on the vessel excise tax~~  
6 ~~payable for each vessel~~ altering a certain distribution of certain motor fuel tax  
7 revenue; requiring the Comptroller to distribute a certain percentage of the  
8 revenue to the Waterway Improvement Fund; and generally relating to the  
9 distribution of motor fuel tax revenue.

10 ~~BY repealing and reenacting, with amendments,~~  
11 ~~Article – Natural Resources~~  
12 ~~Section 8 – 716(e)~~  
13 ~~Annotated Code of Maryland~~  
14 ~~(2012 Replacement Volume)~~

15 BY repealing and reenacting, with amendments,  
16 Article – Tax – General  
17 Section 2–1104  
18 Annotated Code of Maryland  
19 (2010 Replacement Volume and 2012 Supplement)

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

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1 ~~Article – Natural Resources~~2 ~~§ 716.~~

3 ~~(e) (1) [Except] SUBJECT TO THE LIMITATION UNDER PARAGRAPH (3)~~  
 4 ~~OF THIS SUBSECTION AND EXCEPT~~ as provided in § 8-715(d) of this subtitle and in  
 5 subsections (e) and (f) of this section, and in addition to the fees prescribed in  
 6 subsection (b) of this section, an excise tax is levied at the rate of 5% of the fair market  
 7 value of the vessel on:

8 (i) ~~The issuance of every original certificate of title required for~~  
 9 ~~a vessel under this subtitle;~~

10 (ii) ~~The issuance of every subsequent certificate of title for the~~  
 11 ~~sale, resale, or transfer of the vessel;~~

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

13 (iv) ~~The possession within the State of a vessel used or to be~~  
 14 ~~used principally in the State.~~

15 (2) ~~Notwithstanding the provisions of this subsection, no tax is paid on~~  
 16 ~~issuance of any certificate of title if the owner of the vessel for which a certificate of~~  
 17 ~~title is sought was the owner of the vessel prior to June 1, 1965, or paid Maryland~~  
 18 ~~sales and use tax on the vessel as required by law at the time of acquisition. The~~  
 19 ~~Department may require the applicant for titling to submit satisfactory proof that the~~  
 20 ~~applicant owned the vessel prior to June 1, 1965.~~

21 (3) ~~THE EXCISE TAX IMPOSED UNDER THIS SUBSECTION MAY NOT~~  
 22 ~~EXCEED \$10,000 FOR ANY VESSEL.~~

23 Article – Tax – General24 2-1104.

25 (a) Except as otherwise provided in this section, after making the  
 26 distributions required under §§ 2-1101 through 2-1103 of this subtitle, from the  
 27 remaining motor fuel tax revenue, the Comptroller shall distribute:

28 (1) 2.3% to the Chesapeake Bay 2010 Trust Fund; and

29 (2) 0.5% TO THE WATERWAY IMPROVEMENT FUND; AND

30 [(2)] (3) any remaining balance to the Gasoline and Motor Vehicle  
 31 Revenue Account of the Transportation Trust Fund.

1           **(b)** For each fiscal year beginning on or before July 1, 2015, instead of the  
2 distribution required under subsection (a)(1) of this section, the Comptroller shall  
3 distribute 2.3% of the remaining motor fuel tax revenue as follows:

4                   **(1)** to the General Fund of the State:

5                           **(i)** \$5,000,000 for each fiscal year beginning on or before July 1,  
6 2011;

7                           **(ii)** \$5,000,000 for each of the fiscal years beginning July 1,  
8 2012, July 1, 2013, and July 1, 2014; and

9                           **(iii)** \$4,624,687 for the fiscal year beginning July 1, 2015;

10                   **(2)** \$8,000,000 to the Budget Restoration Fund for the fiscal year  
11 beginning July 1, 2012; and

12                   **(3)** the balance to the Chesapeake Bay 2010 Trust Fund.

13           SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
14 July 1, 2013.

Approved:

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Governor.

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President of the Senate.

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Speaker of the House of Delegates.