

SENATE BILL 486

Q4, Q5, R2
SB 1012/12 – B&T

3lr2172
CF HB 523

By: **Senators Brinkley, DeGrange, Robey, ~~and Young~~ Young, and Jones-Rodwell**

Introduced and read first time: January 31, 2013

Assigned to: Budget and Taxation

Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: March 17, 2013

CHAPTER _____

1 AN ACT concerning

2 **Short-Term Rental of Motorcycles – Sales and Use Tax and Motor Vehicle**
3 **Law**

4 FOR the purpose of including certain motorcycles in the definition of “short-term
5 vehicle rental” for purposes of determining the sales and use tax rate for certain
6 vehicle rentals; including certain motorcycles in the definition of “rental vehicle”
7 for purposes of the Motor Vehicle Law; and generally relating to the sales and
8 use tax rate and certain Motor Vehicle Law provisions relating to certain
9 motorcycle rentals.

10 BY repealing and reenacting, with amendments,
11 Article – Tax – General
12 Section 11–104(c)
13 Annotated Code of Maryland
14 (2010 Replacement Volume and 2012 Supplement)

15 BY repealing and reenacting, with amendments,
16 Article – Transportation
17 Section 11–148.1(a) and 13–939.1
18 Annotated Code of Maryland
19 (2012 Replacement Volume)

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.



Article – Tax – General

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11–104.

(c) (1) In this subsection:

(i) “short–term vehicle rental” means a rental of a passenger car, as defined in § 11–144.1 of the Transportation Article, or a vehicle that may be registered as a Class **D**, **E**, **F**, **G**, or **M** vehicle under Title 13, Subtitle 9 of the Transportation Article, for a period of 180 days or less under the following terms:

1. the vendor does not provide a driver for the vehicle as a part of the rental; and

2. if the vehicle is a passenger car, as defined in § 11–144.1 of the Transportation Article, [or] a multipurpose passenger vehicle, **OR A MOTORCYCLE**, the vehicle is not to be used to transport individuals or property for hire; and

(ii) “short–term vehicle rental” does not include a rental of:

1. a dump truck, as described in § 13–919 of the Transportation Article;

2. a tow truck, as described in § 13–920 of the Transportation Article; or

3. a farm vehicle exempt from the sales and use tax under § 11–201(a) of this title.

(2) The sales and use tax rate for a short–term vehicle rental for a taxable price of \$2 or more is:

(i) if the vehicle is a passenger car [or], a multipurpose passenger vehicle, **OR A MOTORCYCLE**:

1. 23 cents for each exact multiple of \$2; and

2. for that part of \$2 in excess of an exact multiple of \$2:

A. 1 cent if the excess over an exact multiple of \$2 is at least 1 cent but less than 9 cents;

B. 2 cents if the excess over an exact multiple of \$2 is at least 9 cents but less than 18 cents;

1 C. 3 cents if the excess over an exact multiple of \$2 is at
2 least 18 cents but less than 27 cents;

3 D. 4 cents if the excess over an exact multiple of \$2 is at
4 least 27 cents but less than 35 cents;

5 E. 5 cents if the excess over an exact multiple of \$2 is at
6 least 35 cents but less than 44 cents;

7 F. 6 cents if the excess over an exact multiple of \$2 is at
8 least 44 cents but less than 53 cents;

9 G. 7 cents if the excess over an exact multiple of \$2 is at
10 least 53 cents but less than 61 cents;

11 H. 8 cents if the excess over an exact multiple of \$2 is at
12 least 61 cents but less than 70 cents;

13 I. 9 cents if the excess over an exact multiple of \$2 is at
14 least 70 cents but less than 79 cents;

15 J. 10 cents if the excess over an exact multiple of \$2 is at
16 least 79 cents but less than 87 cents;

17 K. 11 cents if the excess over an exact multiple of \$2 is at
18 least 87 cents but less than 96 cents;

19 L. 12 cents if the excess over an exact multiple of \$2 is at
20 least 96 cents but less than \$1.05;

21 M. 13 cents if the excess over an exact multiple of \$2 is at
22 least \$1.05 but less than \$1.14;

23 N. 14 cents if the excess over an exact multiple of \$2 is at
24 least \$1.14 but less than \$1.22;

25 O. 15 cents if the excess over an exact multiple of \$2 is at
26 least \$1.22 but less than \$1.31;

27 P. 16 cents if the excess over an exact multiple of \$2 is at
28 least \$1.31 but less than \$1.40;

29 Q. 17 cents if the excess over an exact multiple of \$2 is at
30 least \$1.40 but less than \$1.48;

31 R. 18 cents if the excess over an exact multiple of \$2 is at
32 least \$1.48 but less than \$1.57;

1 **(IV) THAT, AT THE TIME OF PURCHASE, IS PART OF A FLEET**
 2 **OF MOTORCYCLES OWNED BY THE SAME PERSON, AT LEAST FIVE OF WHICH**
 3 **MEET THE CRITERIA IN ITEM (1) OF THIS SUBSECTION;**

4 (3) For which the owner does not provide a driver; and

5 (4) That, if the vehicle is a passenger car or multipurpose passenger
 6 vehicle, will not be used to transport individuals or property for hire.

7 13-939.1.

8 Notwithstanding any other provision of this subtitle, for a rental vehicle as
 9 defined in § 11-148.1 of this article, the annual registration fee is:

10 (1) For a Class A (passenger) vehicle with a manufacturer's shipping
 11 weight of:

12 (i) 3,700 pounds or less – \$27.00; and

13 (ii) More than 3,700 pounds – \$40.50;

14 **(2) FOR A CLASS D (MOTORCYCLE) VEHICLE, THE AMOUNT**
 15 **SPECIFIED IN § 13-915 OF THIS SUBTITLE;**

16 **[(2)] (3)** For a Class E (truck) vehicle with a manufacturer's rated
 17 capacity of 3/4 ton or less and a maximum gross vehicle weight of 7,000 pounds or less
 18 – \$33.75;

19 **[(3)] (4)** Notwithstanding item **[(2)] (3)** of this section, for a Class E
 20 (truck) vehicle:

Maximum Gross Weight Limit (in Pounds)	Fee (per 1,000 Pounds or Fraction Thereof)
10,000 (minimum) – 18,000	\$ 4.75
18,001 – 26,000	7.50
26,001 – 40,000	8.50
40,001 – 60,000	10.50
60,001 – 80,000 (maximum)	11.75;

28 **[(4)] (5)** For a Class F (tractor) vehicle based on the maximum gross
 29 weight of the vehicle in combination with a trailer or semitrailer as follows:

Maximum Gross Weight Limit (in Pounds)	Fee (per 1,000 Pounds or Fraction Thereof)
40,000 (minimum) – 60,000	\$ 14.50
60,001 – 80,000 or more	16.00;

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1 **[(5)] (6)** For a Class G (trailer) vehicle based on the maximum gross
2 weight as follows:

3 (i) For a nonfreight trailer or semitrailer:

4	Maximum Gross Weight	
5	Limit (in Pounds)	Fee
6	3,000 or less	\$ 13.50
7	3,001 – 5,000	27.00
8	5,001 – 10,000	47.25
9	10,001 – 20,000	81.00; and

10 (ii) For a freight trailer or semitrailer – \$20.25; and

11 **[(6)] (7)** For a Class M (multipurpose) vehicle with a manufacturer's
12 shipping weight of:

13 (i) 3,700 pounds or less – \$27.00; and

14 (ii) More than 3,700 pounds – \$40.50.

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

Approved:

Governor.

President of the Senate.

Speaker of the House of Delegates.