

Department of Legislative Services  
Maryland General Assembly  
2013 Session

FISCAL AND POLICY NOTE

House Bill 962 (Delegate Bates, *et al.*)  
Economic Matters

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Motor Fuel Taxes - Consumer Disclosure Requirements

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This bill requires specified dispensing equipment for motor fuel to be marked conspicuously to show (1) the total price, including taxes, of a gallon of motor fuel offered for sale and (2) the amount of each tax that is included in the total price. The bill applies to any retail sales transaction conducted on or after April 1, 2014.

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Fiscal Summary

**State Effect:** The Comptroller can handle enforcement of the bill's requirements with existing resources. Imposition of existing penalty provisions is not expected to materially affect State finances.

**Local Effect:** Imposition of existing penalty provisions is not expected to materially affect local government finances.

**Small Business Effect:** Each retail service station that is a small business must comply with the tax disclosure requirement of the bill; however, the impact on any particular business is anticipated to be minimal.

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Analysis

**Current Law:** All dispensing equipment for motor fuel must be marked conspicuously to show the total price, including taxes, of a gallon of motor fuel offered for sale.

Retail service stations (*i.e.*, retail businesses where motor fuel is sold) must display a sign that states the lowest price offered for each whole unit of regular gasoline offered for sale to the public. Their signs must meet various standards specified in State law for size,

uniformity, and other requirements and must be readable by passing motorists. These provisions do not apply to a retail service station dealer who operates three or fewer dispensing units with six or fewer nozzles. Motor fuel suppliers are required to give retail service station dealers any new or additional signage required to comply with these provisions of law at no cost to the dealer.

Failure to comply with signage requirements and most other provisions related to the inspection and sale of motor fuel is a misdemeanor and is subject to a maximum penalty of a \$5,000 fine and/or one year imprisonment.

The State motor fuel tax rate per gallon is 23.5 cents for gasoline, 24.25 cents for special fuel (diesel), 7 cents for aviation gasoline and turbine fuel, and 23.5 cents for clean burning fuel. The motor fuel tax rate is not indexed or automatically adjusted. The federal tax is 18.4 cents for gasoline and 24.4 cents for diesel fuel.

**Background:** Some states, including Maryland, impose only a motor fuel excise tax, while other states impose both an excise tax and a sales tax. The Comptroller advises that there are currently 2,060 retail service stations in the State.

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### **Additional Information**

**Prior Introductions:** None.

**Cross File:** None.

**Information Source(s):** Comptroller's Office, Department of Legislative Services

**Fiscal Note History:** First Reader - March 11, 2013  
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