

Article - Transportation

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§13–810.

(a) On issuance in this State of an original or subsequent certificate of title for a vehicle, the vehicle is exempt from the excise tax imposed by this part, if it is:

- (1) A mobile home over 35 feet long;
- (2) A vehicle owned by the United States and used in the investigation of any violation or suspected violation of any law of the United States;
- (3) A vehicle owned by this State or any political subdivision of this State;
- (4) A fire engine or other fire department emergency apparatus, including any vehicle operated by or in connection with any fire department;
- (5) An ambulance, rescue, or other vehicle owned and operated for the benefit of the public by a nonprofit rescue squad;
- (6) A vehicle owned and operated by the Civil Air Patrol;
- (7) A vehicle owned and held for the use of the public by a unit of a national veterans' organization;
- (8) A vehicle owned and operated by a Maryland chapter of the American Red Cross;
- (9) A vehicle acquired by an insurance company as a result of a comprehensive or collision claim;
- (10) A vehicle registered in a jurisdiction the laws of which do not require titling and acquired for resale by a licensed dealer;
- (11) A vehicle that is involuntarily transferred to a licensed dealer and for which a certificate of title is not available;
- (12) A school bus owned by a religious organization or a private school which is exempt from federal income tax under § 501(c)(3) of the Internal Revenue Code;
- (13) A privately owned bus used only for operating the transportation system of any political subdivision in this State, if the bus is used for the transportation of the public on regular schedules and between fixed termini;
- (14) A vehicle otherwise exempt from the excise tax by any other applicable law;

(15) A vehicle which is used regularly for the transportation of individuals with disabilities and owned by a nonprofit organization providing direct care services to individuals with disabilities which is licensed by the Department of Health and Mental Hygiene and is wholly or partially funded by the State;

(16) A mobile hearing and vision screening vehicle owned and operated for the benefit of the public by a nonprofit civic organization;

(17) Registered under § 13-923 of this title;

(18) Registered under § 13-933 of this title;

(19) A salvage vehicle acquired by a licensed dealer that has been restored by the licensed dealer and that has been inspected under § 13-507(a)(2)(ii) of this title;

(20) A vehicle acquired for resale by a licensed dealer if the dealer reassignment sections contained on the certificate of title are exhausted;

(21) A Class M motor home or Class G travel trailer that is transferred or retitled in the dealership's name under § 15-305(d)(2) of this article;

(22) A special purpose vehicle owned by a coal company if the vehicle is used:

(i) For transportation of workers, coal, or equipment used in the coal production process; and

(ii) Exclusively in or on coal mining property;

(23) A vehicle which is used exclusively in the transportation of disabled or elderly persons, owned by a nonprofit organization, and in which the Maryland Transit Administration retains a security interest;

(24) A vehicle acquired by a religious, charitable, or volunteer organization exempt from taxation under § 501(c) of the Internal Revenue Code, the Department of Human Resources, or a local department of social services for the purpose of transferring the vehicle to a Family Investment Program recipient or an individual certified by the Department of Human Resources or a local department of social services as eligible for the transfer; or

(25) A rental vehicle.

(b) The provisions of subsection (c)(1) and (3) of this section do not apply to the transfer of a vehicle if:

(1) A vehicle that is transferred was previously exempt under subsection (a)(17) or (18) of this section; and

(2) The transferee of the vehicle titles and registers the vehicle under any other section of this title.

(c) On transfer of a vehicle titled in this State and issuance of a subsequent certificate of title, the vehicle is exempt from the excise tax imposed by this part, if it is:

(1) A vehicle transferred to:

(i) A spouse, son, daughter, grandchild, parent, sister, brother, grandparent, father-in-law, mother-in-law, son-in-law, or daughter-in-law of the transferor, and no money or other valuable consideration is involved in the transfer; or

(ii) A niece or nephew of the transferor if:

1. The transferor is at least 65 years of age at the time of the transfer; and

2. No money or other valuable consideration is involved in the transfer;

(2) A vehicle repossessed under a security agreement, unless the sale of the vehicle is required under the agreement;

(3) A vehicle transferred from an individual to a partnership, limited liability company, or corporation or from a partnership, limited liability company, or corporation to a subpartnership, subsidiary limited liability company, or subsidiary corporation, if the individual, partnership, limited liability company, or corporation is a partner, member, or principal stockholder of the newly formed partnership, subpartnership, limited liability company, subsidiary limited liability company, corporation, or subsidiary corporation, as the case may be;

(4) A vehicle transferred to a legal heir, legatee, or distributee;

(5) A vehicle involuntarily transferred as a result of divorce or separation proceedings;

(6) A vehicle that is jointly owned and transferred to the name of one of the owners, if the transferee can establish to the satisfaction of the Administration that the transferor did not pay any part of the original purchase price of the vehicle or any applicable taxes or fees for the vehicle;

(7) A vehicle transferred by a corporation to its stockholder or stockholders or by a limited liability company to its member or members as a liquidating distribution of tangible personal property where the vehicle or vehicles transferred are not a principal or substantial asset of the corporation or limited liability company as determined by the Administration;

(8) A vehicle transferred as a result of a reorganization within the meaning of § 368(a) of the Internal Revenue Code or a vehicle transferred as a result of a statutory merger or consolidation of a corporation and a limited liability company if no gain or loss is recognized as a result of the transaction under § 332 and § 721 of the Internal Revenue Code;

(9) A vehicle transferred to a Family Investment Program recipient or an individual certified by the Department of Human Resources or a local department of social services as eligible for transfer of the vehicle that was exempted from the excise tax imposed by this part under subsection (a)(24) of this section;

(10) A vehicle transferred into a written inter vivos trust in which the transferor is the primary beneficiary; or

(11) A vehicle transferred to a lessee who exercises an option under a vehicle leasing agreement for an initial term of more than 180 consecutive days to purchase the leased vehicle at the end of the lease.

(d) The Administration may exempt from the excise tax imposed by this part any vehicle of a law enforcement agency of the United States or of any other state, if the United States or other state provides a reciprocal exemption for law enforcement vehicles of this State.

(e) If the owner of a vehicle that is exempt under subsection (a)(17) or (18) of this section from the vehicle excise tax subsequently registers the vehicle under any other section of this title, the owner shall pay the excise tax based on the fair market value of the vehicle at the time the exemption was initially granted.

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