

SENATE BILL 10

Q5

5lr0575

(PRE-FILED)

By: **Senator Brochin**

Requested: November 12, 2014

Introduced and read first time: January 14, 2015

Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **Motor Fuel Tax Rates – Consumer Price Index Adjustment – Repeal**

3 FOR the purpose of repealing a requirement that certain motor fuel tax rates be adjusted
4 in future years based on growth in the Consumer Price Index for all urban
5 consumers; and generally relating to motor fuel tax rates.

6 BY repealing and reenacting, with amendments,

7 Article – Tax – General

8 Section 9–305

9 Annotated Code of Maryland

10 (2010 Replacement Volume and 2014 Supplement)

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

13 **Article – Tax – General**

14 9–305.

15 (a) Except as provided in subsection (b) of this section, the motor fuel tax rate is:

16 (1) 7 cents for each gallon of aviation gasoline;

17 (2) 23.5 cents for each gallon of gasoline other than aviation gasoline;

18 (3) 24.25 cents for each gallon of special fuel other than clean-burning fuel
19 or turbine fuel;

20 (4) 7 cents for each gallon of turbine fuel; and

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (5) 23.5 cents for each gasoline–equivalent gallon of clean–burning fuel
2 except electricity.

3 (b) (1) The motor fuel tax rates specified in subsection (a)(2), (3), and (5) of this
4 section shall be increased on July 1, 2013, and July 1 [of each subsequent year], **2014**, in
5 accordance with this subsection.

6 (2) On or before June 1 [of each year], **2013, AND JUNE 1, 2014**, the
7 Comptroller shall determine and announce:

8 (i) the growth in the Consumer Price Index for all urban consumers
9 as determined by the Comptroller under paragraph (3) of this subsection; and

10 (ii) the motor fuel tax rates effective for the fiscal year beginning on
11 the following July 1 as determined by the Comptroller under paragraph (4) of this
12 subsection.

13 (3) (i) In this paragraph, “Consumer Price Index for all urban
14 consumers” means the index published monthly by the Bureau of Labor Statistics of the
15 U.S. Department of Labor that is the U.S. city average of all items in a basket of consumer
16 goods and services.

17 (ii) The percentage growth in the Consumer Price Index for all urban
18 consumers shall be determined by comparing the average of the index for the 12 months
19 ending on the preceding April 30 to the average of the index for the prior 12 months.

20 (4) Subject to paragraph (5) of this subsection, on July 1 [of each year],
21 **2013, AND JULY 1, 2014**, each motor fuel tax rate specified in subsection (a)(2), (3), and
22 (5) of this section shall be increased by the amount, rounded to the nearest one–tenth of a
23 cent, that equals the product of multiplying:

24 (i) the motor fuel tax rate in effect on the date of the Comptroller’s
25 announcement under paragraph (2) of this subsection; and

26 (ii) the percentage growth in the Consumer Price Index for all urban
27 consumers.

28 (5) (i) If there is a decline or no growth in the Consumer Price Index for
29 all urban consumers, the motor fuel tax rates shall remain unchanged.

30 (ii) Any increase in the motor fuel tax rates under paragraph (4) of
31 this subsection may not be greater than 8% of the motor fuel tax rate effective in the
32 previous year.

33 (6) The Comptroller shall require any person possessing tax–paid motor
34 fuel for sale at the start of business on the date of an increase in the motor fuel tax under
35 this subsection to compile and file an inventory of the motor fuel held at the close of

1 business on the immediately preceding date and remit within 30 days any additional motor
2 fuel tax that is due on the motor fuel.

3 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect June
4 1, 2015.