

SENATE BILL 520

Q5

6lr2319
CF HB 756

By: **Washington County Senators**

Introduced and read first time: February 4, 2016

Assigned to: Budget and Taxation

Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: March 8, 2016

CHAPTER _____

1 AN ACT concerning

2 ~~Washington County Board~~ **County Boards of Education – Motor Fuel Tax**
3 **Exemption and Refund**

4 FOR the purpose of exempting from the motor fuel tax certain motor fuel that is bought by
5 a county board of education or a school bus operator under contract with a county
6 board of education for use in certain vehicles; authorizing ~~the Washington County~~
7 ~~Board of Education~~ a county board of education to claim a refund of motor fuel tax
8 paid on motor fuel purchased for use in vehicles owned by the ~~Washington County~~
9 ~~Board of Education~~ county board; authorizing a school bus operator under contract
10 with a county board of education to claim a refund of motor fuel tax paid on motor
11 fuel purchased for use in vehicles used to transport the county's public school
12 students; and generally relating to an exemption from and a refund of motor fuel tax
13 for ~~the Washington County Board of Education~~ a county board of education.

14 BY repealing and reenacting, with amendments,
15 Article – Tax – General
16 Section 9–303(d) and 13–901(f)
17 Annotated Code of Maryland
18 (2010 Replacement Volume and 2015 Supplement)

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

21 **Article – Tax – General**

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 9-303.

2 (d) The motor fuel tax does not apply to motor fuel that is bought by:

3 (1) the Department of General Services for use by State agencies;

4 (2) A COUNTY BOARD OF EDUCATION FOR USE IN VEHICLES OWNED
5 BY THE COUNTY BOARD OF EDUCATION; OR

6 (3) A SCHOOL BUS OPERATOR UNDER CONTRACT WITH A COUNTY
7 BOARD OF EDUCATION FOR USE IN VEHICLES USED TO TRANSPORT THE COUNTY'S
8 PUBLIC SCHOOL STUDENTS.

9 13-901.

10 (f) (1) Except as provided in paragraph (3) of this subsection, a claim for
11 refund of motor fuel tax may be filed by a claimant who pays the tax on:

12 (i) aviation fuel, as defined in § 9-101 of this article, that is:

13 1. dispensed to aircraft by an aircraft manufacturing
14 company located in the State; or

15 2. used:

16 A. by a person who engages in agricultural activities; and

17 B. in an aircraft that is used for agricultural purposes at least
18 70% of the time that the aircraft is used; or

19 (ii) motor fuel, as defined in § 9-101 of this article, that:

20 1. is used to operate:

21 A. a bus that is used only in the operation of a transportation
22 system of a political subdivision of the State to transport the public on regular schedules
23 between fixed termini, as defined in Title 11 of the Transportation Article;

24 B. farm equipment that is used for an agricultural purpose
25 and is not registered to operate on a public highway;

26 C. fire or rescue apparatus or vehicles by a volunteer fire
27 company or nonprofit volunteer rescue company incorporated in the State;

28 D. an internal combustion engine that is installed
29 permanently at a fixed location; or

1 E. a vehicle that is owned and used by a Maryland chapter of
2 the American Red Cross or a bona fide unit of a national veterans' organization;

3 2. is bought by:

4 A. the United States or a unit of the United States
5 government;

6 B. the Department of General Services for use by State
7 agencies; [or]

8 C. ~~THE WASHINGTON COUNTY BOARD OF EDUCATION A~~
9 ~~COUNTY BOARD OF EDUCATION FOR USE IN VEHICLES OWNED BY THE WASHINGTON~~
10 ~~COUNTY BOARD OF EDUCATION A COUNTY BOARD OF EDUCATION; OR~~

11 D. A SCHOOL BUS OPERATOR UNDER CONTRACT WITH A
12 COUNTY BOARD OF EDUCATION FOR USE IN VEHICLES USED TO TRANSPORT THE
13 COUNTY'S PUBLIC SCHOOL STUDENTS; OR

14 E. a person who is required to pay a tax on the same fuel to
15 another state;

16 3. except for any operation of a motor vehicle on a public
17 highway in the State, is used for a commercial purpose, including:

18 A. the operation of a vessel used only for commercial
19 purposes;

20 B. commercial cleaning; or

21 C. commercial dyeing;

22 4. is used in any of the following vehicles that have pumping
23 or other equipment mechanically or hydraulically driven by the engine that propels the
24 vehicle:

25 A. a concrete mixing motor vehicle or concrete pump truck;

26 B. a motor fuel delivery vehicle;

27 C. a solid waste compacting vehicle;

28 D. a well-drilling vehicle; or

1 E. farm equipment registered as a vehicle for highway use
2 that is designed or adapted solely and used exclusively for bulk farm spreading of
3 agriculture liming materials, chemicals, or fertilizer;

4 5. is used by a system of transportation based in the State,
5 in a vehicle that is used to provide transportation to elderly or low income individuals, or
6 individuals with disabilities, if the system is operated by a nonprofit organization for
7 purposes relating to the charge for which the nonprofit organization was established and
8 the nonprofit organization:

9 A. is exempt for federal income tax purposes under § 501(c)
10 of the Internal Revenue Code;

11 B. is funded to provide transportation to elderly or low
12 income individuals, or individuals with disabilities;

13 C. receives part of its operating funding from the Maryland
14 Department of Transportation or the Maryland Department of Health and Mental Hygiene;

15 D. has stated in its charter or bylaws that operating
16 transportation services for elderly or low income individuals, or individuals with
17 disabilities, is one of the purposes for which it was established; and

18 E. is actively operating a system of transportation for elderly
19 or low income individuals, or individuals with disabilities; or

20 6. is lost as a result of fire, collision, or other casualty, except
21 for loss in ordinary transportation and storage.

22 (2) A refund based on a claim under paragraph (1)(ii)4 of this subsection
23 may not exceed the following percentages of the motor fuel tax paid:

24 (i) 35% for a concrete mixing vehicle or concrete pump truck;

25 (ii) 55% for farm equipment, registered as a vehicle for highway use,
26 that is designed or adapted solely and used exclusively for bulk spreading of agriculture
27 liming materials, chemicals, or fertilizers;

28 (iii) 10% for a motor fuel delivery vehicle;

29 (iv) 15% for a solid waste compacting vehicle; and

30 (v) 80% for a well-drilling vehicle.

31 (3) A person may not make a claim for a refund of motor fuel tax under
32 paragraph (1)(ii)1B of this subsection for motor fuel used to operate a farm truck under the
33 provisions of § 8-602(c) of the Transportation Article.

1 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
2 1, 2016.

Approved:

Governor.

President of the Senate.

Speaker of the House of Delegates.