

Department of Legislative Services
Maryland General Assembly
2016 Session

FISCAL AND POLICY NOTE
Third Reader

House Bill 1290
Ways and Means

(Delegates Adams and Folden)

Budget and Taxation

Motor Fuel Dispensing Equipment - Tax Rate Information

This bill requires dispensing equipment for motor fuel to display – on a sticker required by the Comptroller – the address of a website maintained by the Comptroller where the current federal and State motor fuel tax rates may be viewed.

Fiscal Summary

State Effect: The Comptroller’s Office can handle the bill’s requirements with existing budgeted resources. No effect on revenues.

Local Effect: None.

Small Business Effect: Minimal.

Analysis

Current Law: Retail service stations (*i.e.*, retail businesses where motor fuel is sold) must meet various registration, inspection, and signage requirements. Failure to comply with these 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.

All dispensing equipment for motor fuel must be marked conspicuously to show in numerals of equal size the price, including taxes, of a gallon of the motor fuel offered for sale. A sign or other means on the premises and approaches to a retail outlet that advertises the retail price of motor fuel may list the price and each tax separately if the listing of the total of the price and all taxes is the same size as the separate listing of the price. Even so,

the sign must list the total of the price and all taxes by numerals of uniform size, subject to additional specified requirements.

Regulations require that the Motor Fuel Tax Unit in the Comptroller's Office label all retail motor fuel dispensing pumps. The retailer must further identify and label all retail dispensing pumps with, among other things, (1) the brand name and trade name of the product being sold and (2) for gasoline, the octane rating and the grade name.

Background: The Motor Fuel Tax Unit in the Comptroller's Office is responsible for monitoring the distribution and use of motor fuels in Maryland. Among other responsibilities, the unit registers service stations and other facilities that sell or store motor fuels in bulk in order to regulate the quality of motor fuel sold in Maryland. The State taxes applicable to motor fuel sales can be found on the Comptroller's [website](#). For gasoline, the current federal tax is 18.4 cents per gallon and the State tax is 32.6 cents per gallon.

There are approximately 2,000 retail service stations in the State.

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, 2016
min/mcr

Analysis by: Stephen M. Ross

Direct Inquiries to:
(410) 946-5510
(301) 970-5510