

# HOUSE BILL 841

Q4

0lr2658  
CF SB 573

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By: **Delegate Chang**

Introduced and read first time: February 3, 2020

Assigned to: Ways and Means

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Committee Report: Favorable with amendments

House action: Adopted with floor amendments

Read second time: March 11, 2020

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## CHAPTER \_\_\_\_\_

1 AN ACT concerning

2 ~~Sales and Use Tax—Short Term Rental Vehicles and Peer-to-Peer Car Sharing~~  
3 ~~– Rate Alteration and Sunset Repeal Sales Tax Sunset Extension, Agreements~~  
4 ~~With Maryland Aviation Administration, and Study~~

5 FOR the purpose of ~~repealing~~ extending the termination of certain provisions of law making  
6 sales and charges related to peer-to-peer car sharing subject to a certain sales and  
7 use tax rate; ~~requiring the Comptroller to distribute revenue from the sales and use~~  
8 ~~tax imposed on peer-to-peer car sharing in a certain manner; altering the sales and~~  
9 ~~use tax rate imposed on certain short-term vehicle rentals and shared motor vehicles~~  
10 ~~used for peer-to-peer car sharing; repealing a certain obsolete provision; providing~~  
11 ~~for the effective dates of this Act; requiring the Maryland Aviation Administration~~  
12 ~~to notify certain committees of the General Assembly of its intent to enter into a~~  
13 ~~certain agreement with a peer-to-peer car sharing program; specifying the contents~~  
14 ~~of the notice; providing the budget committees of the General Assembly a certain~~  
15 ~~period of time to review and comment on the agreement; requiring the Department~~  
16 ~~of Legislative Services to report to the General Assembly on or before a certain date;~~  
17 ~~defining a certain term; and generally relating to the sales and use tax on short-~~  
18 ~~term rental vehicles and peer-to-peer car sharing.~~

19 BY repealing and reenacting, with amendments,  
20 Chapter 852 of the Acts of the General Assembly of 2018  
21 Section 7

22 ~~BY repealing and reenacting, with amendments,~~  
23 ~~Article Tax General~~

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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.



~~Section 2-1302.1 and 11-104(e) and (e-1)  
Annotated Code of Maryland  
(2016 Replacement Volume and 2019 Supplement)~~

~~BY repealing and reenacting, without amendments,  
Article Tax General  
Section 11-101(l)(4)  
Annotated Code of Maryland  
(2016 Replacement Volume and 2019 Supplement)~~

~~BY adding to  
Article Transportation  
Section 5-413(e)  
Annotated Code of Maryland  
(2015 Replacement Volume and 2019 Supplement)~~

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

#### Chapter 852 of the Acts of 2018

SECTION 7. AND BE IT FURTHER ENACTED, That, except as provided in Section 6 of this Act, this Act shall take effect July 1, 2018. ~~¶~~Section 3 of this Act shall remain effective for a period of ~~2~~ 3 years and, at the end of June 30, ~~2020~~ 2021, Section 3 of this Act, with no further action required by the General Assembly, shall be abrogated and of no further force and effect. ~~¶~~

~~SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland read as follows:~~

#### ~~Article Transportation~~

~~5-413.~~

~~(E) (1) IN THIS SECTION, "PEER TO PEER CAR SHARING PROGRAM" HAS THE MEANING STATED IN § 19-520 OF THE INSURANCE ARTICLE.~~

~~(2) THE ADMINISTRATION SHALL NOTIFY THE BUDGET COMMITTEES OF THE GENERAL ASSEMBLY OF ITS INTENT TO ENTER INTO A CONCESSION, LICENSE, OR OTHER AGREEMENT WITH A PEER TO PEER CAR SHARING PROGRAM FOR COMMERCIAL ACTIVITY AT THE BALTIMORE WASHINGTON INTERNATIONAL THURGOOD MARSHALL AIRPORT AT LEAST 45 DAYS BEFORE:~~

~~(I) SEEKING THE APPROVAL OF THE BOARD OF PUBLIC WORKS OF THE AGREEMENT; OR~~

1 ~~(H) IF APPROVAL OF THE BOARD OF PUBLIC WORKS IS NOT~~  
2 ~~REQUIRED, ENTERING INTO THE AGREEMENT.~~

3 ~~(3) THE NOTICE REQUIRED UNDER PARAGRAPH (2) OF THIS~~  
4 ~~SUBSECTION SHALL DESCRIBE:~~

5 ~~(I) THE TERMS OF THE CONCESSION, LICENSE, OR OTHER~~  
6 ~~AGREEMENT, INCLUDING BOTH ECONOMIC AND OPERATING TERMS AND~~  
7 ~~CONDITIONS;~~

8 ~~(II) THE POTENTIAL IMPACTS TO EXISTING TRANSPORTATION~~  
9 ~~CONCESSIONAIRES OR LICENSEES AT THE AIRPORT, INCLUDING ANY ANTICIPATED~~  
10 ~~REDUCTIONS IN CONCESSION FEES OR OTHER PAYMENTS MADE BY THE EXISTING~~  
11 ~~OPERATORS TO THE ADMINISTRATION;~~

12 ~~(III) WHETHER THE ADMINISTRATION MAY BE REQUIRED TO, OR~~  
13 ~~INTENDS TO, MODIFY THE TERMS AND CONDITIONS OF EXISTING TRANSPORTATION~~  
14 ~~CONCESSIONAIRES OR LICENSEES AT THE AIRPORT DUE TO MORE FAVORABLE~~  
15 ~~TERMS BEING OFFERED TO THE PEER-TO-PEER CAR SHARING PROGRAM; AND~~

16 ~~(IV) THE IMPACTS TO BONDS OR OTHER DEBT THAT REMAINS~~  
17 ~~OUTSTANDING ON THE CONSOLIDATED RENTAL CAR FACILITY OR OTHER ASSETS~~  
18 ~~OF THE ADMINISTRATION.~~

19 ~~(4) THE BUDGET COMMITTEES OF THE GENERAL ASSEMBLY SHALL~~  
20 ~~PROVIDE REVIEW AND COMMENT ON THE PROPOSED CONCESSION, LICENSE, OR~~  
21 ~~OTHER AGREEMENT WITHIN 45 DAYS AFTER THE NOTICE REQUIRED UNDER~~  
22 ~~PARAGRAPH (2) OF THIS SUBSECTION IS PROVIDED.~~

23 SECTION ~~2~~ 2. AND BE IT FURTHER ENACTED, That, on or before December 31,  
24 2020, the Department of Legislative Services shall report to the General Assembly, in  
25 accordance with § 2-1257 of the State Government Article, on:

26 (1) a comparison of excise titling taxes and other motor vehicle fees in the  
27 State relating to short-term vehicle rentals and peer-to-peer car sharing;

28 (2) a comparison of excise titling taxes and other motor vehicle fees relating  
29 to short-term vehicle rentals and peer-to-peer car sharing in other states;

30 (3) a comparison of taxation and other governmental fees in the State  
31 relating to short-term vehicle rental companies and peer-to-peer car sharing companies,  
32 including with regard to income tax and sales tax;

33 (4) a comparison of sales taxes imposed in other states on short-term  
34 vehicle rentals and on peer-to-peer car sharing;



1 ~~11-101.~~

2 ~~(4) (4) "Taxable price" includes all sales and charges, including insurance,~~  
3 ~~freight handling, equipment and supplies, delivery and pickup, cellular telephone, and~~  
4 ~~other accessories, but not including sales of motor fuel subject to the motor fuel tax, made~~  
5 ~~in connection with:~~

6 ~~(i) a short term vehicle rental, as defined in § 11-104(e) of this~~  
7 ~~subtitle; or~~

8 ~~(ii) a shared motor vehicle used for peer to peer car sharing and~~  
9 ~~made available on a peer to peer car sharing program, as defined in § 19-520 of the~~  
10 ~~Insurance Article.~~

11 ~~11-104.~~

12 ~~(e) (1) In this subsection:~~

13 ~~(i) "short term vehicle rental" means a rental of a passenger car, as~~  
14 ~~defined in § 11-144.2 of the Transportation Article, or a vehicle that may be registered as~~  
15 ~~a Class D, E, F, G, or M vehicle under Title 13, Subtitle 9 of the Transportation Article, for~~  
16 ~~a period of 180 days or less under the following terms:~~

17 ~~1. the vendor does not provide a driver for the vehicle as a~~  
18 ~~part of the rental; and~~

19 ~~2. if the vehicle is a passenger car, as defined in § 11-144.2~~  
20 ~~of the Transportation Article, a multipurpose passenger vehicle, or a motorcycle, the vehicle~~  
21 ~~is not to be used to transport individuals or property for hire; and~~

22 ~~(ii) "short term vehicle rental" does not include a rental of:~~

23 ~~1. a dump truck, as described in § 13-919 of the~~  
24 ~~Transportation Article;~~

25 ~~2. a tow truck, as described in § 13-920 of the Transportation~~  
26 ~~Article;~~

27 ~~3. a farm vehicle exempt from the sales and use tax under §~~  
28 ~~11-201(a) of this title; or~~

29 ~~4. a shared motor vehicle used for peer to peer car sharing~~  
30 ~~and made available on a peer to peer car sharing program, as defined in § 19-520 of the~~  
31 ~~Insurance Article and that is subject to sales and use tax under subsection (e-1) of this~~  
32 ~~section.~~

~~(2) The sales and use tax rate for a short term vehicle rental [for a taxable price of \$2 or more] is:~~

~~(i) **10% OF THE TAXABLE PRICE**, if the vehicle is a passenger car, a multipurpose passenger vehicle, or a motorcycle [:~~

~~1. 23 cents for each exact multiple of \$2; and~~

~~2. for that part of \$2 in excess of an exact multiple of \$2:~~

~~A. 1 cent if the excess over an exact multiple of \$2 is at least 1 cent but less than 9 cents;~~

~~B. 2 cents if the excess over an exact multiple of \$2 is at least 9 cents but less than 18 cents;~~

~~C. 3 cents if the excess over an exact multiple of \$2 is at least 18 cents but less than 27 cents;~~

~~D. 4 cents if the excess over an exact multiple of \$2 is at least 27 cents but less than 35 cents;~~

~~E. 5 cents if the excess over an exact multiple of \$2 is at least 35 cents but less than 44 cents;~~

~~F. 6 cents if the excess over an exact multiple of \$2 is at least 44 cents but less than 53 cents;~~

~~G. 7 cents if the excess over an exact multiple of \$2 is at least 53 cents but less than 61 cents;~~

~~H. 8 cents if the excess over an exact multiple of \$2 is at least 61 cents but less than 70 cents;~~

~~I. 9 cents if the excess over an exact multiple of \$2 is at least 70 cents but less than 79 cents;~~

~~J. 10 cents if the excess over an exact multiple of \$2 is at least 79 cents but less than 87 cents;~~

~~K. 11 cents if the excess over an exact multiple of \$2 is at least 87 cents but less than 96 cents;~~

~~L. 12 cents if the excess over an exact multiple of \$2 is at least 96 cents but less than \$1.05;~~

- 1                                    ~~M.~~    ~~13 cents if the excess over an exact multiple of \$2 is at least~~  
2    ~~\$1.05 but less than \$1.14;~~
- 3                                    ~~N.~~    ~~14 cents if the excess over an exact multiple of \$2 is at least~~  
4    ~~\$1.14 but less than \$1.22;~~
- 5                                    ~~O.~~    ~~15 cents if the excess over an exact multiple of \$2 is at least~~  
6    ~~\$1.22 but less than \$1.31;~~
- 7                                    ~~P.~~    ~~16 cents if the excess over an exact multiple of \$2 is at least~~  
8    ~~\$1.31 but less than \$1.40;~~
- 9                                    ~~Q.~~    ~~17 cents if the excess over an exact multiple of \$2 is at least~~  
10   ~~\$1.40 but less than \$1.48;~~
- 11                                  ~~R.~~    ~~18 cents if the excess over an exact multiple of \$2 is at least~~  
12   ~~\$1.48 but less than \$1.57;~~
- 13                                  ~~S.~~    ~~19 cents if the excess over an exact multiple of \$2 is at least~~  
14   ~~\$1.57 but less than \$1.66;~~
- 15                                  ~~T.~~    ~~20 cents if the excess over an exact multiple of \$2 is at least~~  
16   ~~\$1.66 but less than \$1.74;~~
- 17                                  ~~U.~~    ~~21 cents if the excess over an exact multiple of \$2 is at least~~  
18   ~~\$1.74 but less than \$1.83;~~
- 19                                  ~~V.~~    ~~22 cents if the excess over an exact multiple of \$2 is at least~~  
20   ~~\$1.83 but less than \$1.92; and~~
- 21                                  ~~W.~~    ~~23 cents if the excess over an exact multiple of \$2 is at least~~  
22   ~~\$1.92 but less than \$2.00]; or~~
- 23                                  (ii)    ~~8% OF THE TAXABLE PRICE, if the vehicle is a vehicle that may~~  
24   ~~be registered as a Class E, F, or G vehicle under Title 13, Subtitle 9 of the Transportation~~  
25   ~~Article];~~
- 26                                  ~~1.~~    ~~8 cents for each exact dollar; and~~
- 27                                  ~~2.~~    ~~2 cents for each 25 cents or part of 25 cents in excess of an~~  
28   ~~exact dollar];~~
- 29                                  (e-1)   ~~The sales and use tax rate for sales and charges made in connection with a~~  
30   ~~shared motor vehicle used for peer to peer car sharing and made available on a~~  
31   ~~peer to peer car sharing program, as defined in § 19-520 of the Insurance Article, is [8%];~~

1           ~~(1) 10% OF THE TAXABLE PRICE, IF THE VEHICLE IS A PASSENGER~~  
2 ~~CAR, A MULTIPURPOSE PASSENGER VEHICLE, OR A MOTORCYCLE; OR~~

3           ~~(2) 8% OF THE TAXABLE PRICE, IF THE VEHICLE IS A VEHICLE THAT~~  
4 ~~MAY BE REGISTERED AS A CLASS E, F, OR G VEHICLE UNDER TITLE 13, SUBTITLE 9~~  
5 ~~OF THE TRANSPORTATION ARTICLE.~~

6           ~~SECTION 3. AND BE IT FURTHER ENACTED, That Section 2 of this Act shall take~~  
7 ~~effect July 1, 2020.~~

8           ~~SECTION 4. AND BE IT FURTHER ENACTED, That, except as provided in Section~~  
9 ~~3 of this Act, this Act shall take effect June 1, 2020.~~

Approved:

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Governor.

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Speaker of the House of Delegates.

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President of the Senate.