

SENATE BILL 825

Q4

0lr3328
CF 0lr2725

By: **Senator McCray**

Introduced and read first time: February 3, 2020

Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **Sales and Use Tax – Peer-to-Peer Car Sharing – Sunset Repeal and Rate**
3 **Alteration**

4 FOR the purpose of repealing the termination of certain provisions of law making sales and
5 charges related to peer-to-peer car sharing subject to a certain sales and use tax
6 rate; repealing an exemption for certain peer-to-peer car sharing programs from
7 requirements that certain marketplace facilitators collect the sales and use tax on
8 certain sales; altering the sales and use tax rate imposed on certain shared motor
9 vehicles used for peer-to-peer car sharing; making a conforming change; providing
10 for the effective dates of this Act; and generally relating to the sales and use tax on
11 peer-to-peer car sharing.

12 BY repealing and reenacting, with amendments,
13 Chapter 852 of the Acts of the General Assembly of 2018
14 Section 7

15 BY repealing and reenacting, with amendments,
16 Article – Tax – General
17 Section 11-101(c-2) and 11-104(c)(1)
18 Annotated Code of Maryland
19 (2016 Replacement Volume and 2019 Supplement)

20 BY repealing and reenacting, without amendments,
21 Article – Tax – General
22 Section 11-101(l)(4)
23 Annotated Code of Maryland
24 (2016 Replacement Volume and 2019 Supplement)

25 BY repealing
26 Article – Tax – General
27 Section 11-104(c-1)

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 Annotated Code of Maryland
2 (2016 Replacement Volume and 2019 Supplement)

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

5 **Chapter 852 of the Acts of 2018**

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

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

13 **Article – Tax – General**

14 11–101.

15 (c–2) (1) “Marketplace facilitator” means a person that:

16 (i) facilitates a retail sale by a marketplace seller by listing or
17 advertising for sale in a marketplace tangible personal property; and

18 (ii) regardless of whether the person receives compensation or other
19 consideration in exchange for the person’s services, directly or indirectly through
20 agreements with third parties, collects payment from a buyer and transmits the payment
21 to the marketplace seller.

22 (2) “Marketplace facilitator” does not include:

23 (i) a platform or forum that exclusively provides Internet
24 advertising services, including listing products for sale, if the platform or forum does not
25 also engage, directly or indirectly, in collecting payment from a buyer and transmitting that
26 payment to the vendor;

27 (ii) a payment processor business appointed by a vendor to handle
28 payment transactions from clients, including credit cards and debit cards, whose only
29 activity with respect to marketplace sales is to handle transactions between two parties;

30 (iii) [a peer-to-peer car sharing program, as defined in § 19–520 of
31 the Insurance Article; or

32 (iv)] a delivery service company that delivers tangible personal
33 property on behalf of a marketplace seller that is engaged in the business of a retail vendor

1 and holds a license issued under Subtitle 7 of this title.

2 (l) (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(c) 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 (c) (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 (c-1) of this
32 section].

33 [(c-1) The sales and use tax rate for sales and charges made in connection with a

1 shared motor vehicle used for peer-to-peer car sharing and made available on a
2 peer-to-peer car sharing program, as defined in § 19-520 of the Insurance Article, is 8%.]

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

5 SECTION 4. AND BE IT FURTHER ENACTED, That, except as provided in Section
6 3 of this Act, this Act shall take effect June 1, 2020.