

Chapter 9

(House Bill 1209 of the 2021 Regular Session)

AN ACT concerning

Sales and Use Tax – Peer-to-Peer Car Sharing – Alterations

FOR the purpose of repealing the termination of certain provisions of law making sales and charges related to peer-to-peer car sharing subject to a certain sales and use tax rate; providing for the distribution of sales and use tax collected on peer-to-peer car sharing; altering the definition of “marketplace facilitator” to include certain peer-to-peer car sharing programs for purposes of a requirement to collect sales and use taxes; altering, under certain circumstances, the sales and use tax rate imposed on shared motor vehicles used for peer-to-peer car sharing; repealing a certain obsolete provision; providing for the effective dates of this Act; and generally relating to the sales and use tax on peer-to-peer car sharing.

BY repealing and reenacting, with amendments,
Chapter 852 of the Acts of the General Assembly of 2018, as amended by Chapter
567 of the Acts of the General Assembly of 2020
Section 7

BY repealing and reenacting, with amendments,
Article – Tax – General
Section 2–1302.1, 11–101(c–2), and 11–104(c–1)
Annotated Code of Maryland
(2016 Replacement Volume and 2020 Supplement)

BY repealing and reenacting, without amendments,
Article – Tax – General
Section 11–101(l)(4)
Annotated Code of Maryland
(2016 Replacement Volume and 2020 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, as amended by Chapter 567 of the Acts of 2020

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 3 years and, at the end of June 30, 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 – Tax – General

2–1302.1.

[(a)] Except as otherwise provided in this section, after making the distributions required under §§ 2–1301 and 2–1302 of this subtitle, of the sales and use tax collected [on short-term vehicle rentals] under § 11–104(c) **AND (C-1)** of this article **ON SHORT-TERM VEHICLE RENTALS AND PEER-TO-PEER CAR SHARING**, the Comptroller shall distribute:

- (1) 45% to the Transportation Trust Fund established under § 3–216 of the Transportation Article; and
- (2) the remainder to the Chesapeake and Atlantic Coastal Bays 2010 Trust Fund.

[(b)] For each fiscal year beginning on or before July 1, 2015, after the distribution required under subsection (a)(1) of this section, the Comptroller shall distribute the remainder of the sales and use tax collected on short-term vehicle rentals under § 11–104(c) of this article as follows:

- (1) to the General Fund of the State:
 - (i) \$9,249,199 for the fiscal year beginning July 1, 2014; and
 - (ii) \$8,639,632 for the fiscal year beginning July 1, 2015; and
- (2) the remainder to the Chesapeake and Atlantic Coastal Bays 2010 Trust Fund.]

11–101.

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

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

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

(2) “Marketplace facilitator” does not include:

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

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

OR

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

~~[(iv)] (III) a delivery service company that delivers tangible personal property on behalf of a marketplace seller that is engaged in the business of a retail vendor and holds a license issued under Subtitle 7 of this title.~~

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

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

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

11-104.

(c-1) The sales and use tax rate for sales and charges made in connection with a shared motor vehicle used for peer-to-peer car sharing and made available on a peer-to-peer car sharing program, as defined in § 19-520 of the Insurance Article, is [8%]:

~~(1) IF THE VEHICLE IS A PASSENGER CAR, A MULTIPURPOSE PASSENGER VEHICLE, OR A MOTORCYCLE:~~

~~(i) EXCEPT AS PROVIDED IN ITEM (ii) OF THIS ITEM:~~

~~1. FOR A SALE OR CHARGE MADE AFTER JUNE 30, 2021, BUT BEFORE JULY 1, 2022, 8.5% OF THE TAXABLE PRICE;~~

~~2. FOR A SALE OR CHARGE MADE AFTER JUNE 30, 2022,~~

~~BUT BEFORE JULY 1, 2023, 9% OF THE TAXABLE PRICE; AND~~

~~3. FOR A SALE OR CHARGE MADE ON OR AFTER JULY 1, 2023, 9.75% OF THE TAXABLE PRICE; AND~~

(1) EXCEPT AS PROVIDED IN ITEM (2) OF THIS SUBSECTION, 8% OF THE TAXABLE PRICE; AND

~~(H) (2) 11.5% OF THE TAXABLE PRICE, IF THE VEHICLE IS A PASSENGER CAR, A MULTIPURPOSE PASSENGER VEHICLE, OR A MOTORCYCLE THAT IS PART OF A FLEET OF VEHICLES THAT INCLUDES AT LEAST FIVE MORE THAN 10 VEHICLES OWNED BY THE SAME PERSON USED FOR PEER TO PEER CAR SHARING AND MADE AVAILABLE ON A PEER TO PEER CAR SHARING PROGRAM; OR~~

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

SECTION 3. AND BE IT FURTHER ENACTED, That Section 2 of this Act shall take effect July 1, 2021.

SECTION 4. AND BE IT FURTHER ENACTED, That, except as provided in Section 3 of this Act, this Act shall take effect June 1, 2021.

Gubernatorial Veto Override, December 6, 2021.