



THE MARYLAND HOUSE OF DELEGATES
ANNAPOLIS, MARYLAND 21401

Sales & Use Tax - Transportation Network Services - Application and Rates

HB386- FAQ's

Q: What does HB386 do?

HB386 places a 3.25% fee on the services of single-passenger rideshare trips and a 1.4% fee on the services of multiple passenger rideshare trips or rideshare trips in a zero-emission vehicle. The revenue collected from this fee will be directed to Maryland's Transportation Trust Fund.

Q: What is a Transportation Network Service (TNC)?

A: A Transportation Network Service (TNC) is more commonly referred to as a rideshare service, which matches passengers with vehicles using websites and mobile apps. The major TNC's operating in Maryland are Uber and Lyft. A taxi or limousine service is not a TNC.

Does HB386 prevent local jurisdictions from imposing their own fee?

A: No. The fee imposed under HB386 does not interfere with the local authority to impose a local tax on rideshares, which are currently limited to \$0.25 per trip.

What is the Transportation Trust Fund?

A: The Transportation Trust Fund (TTF) is a dedicated fund to support the Maryland Department of Transportation (MDOT). This fund allows Maryland to meet various transportation service and infrastructure needs, such as maintenance, operations, administration, and capital projects.

Why is this Legislation Important?

Rideshare services increase traffic congestion, air pollution and carbon emissions that harm our communities and make our streets unlivable. A rideshare fee will mitigate these harms, help fund mass transit and bring Maryland one step closer to transit independence.