

KRIS FAIR
Legislative District 3
Frederick County

Ways and Means Committee



The Maryland House of Delegates
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THE MARYLAND HOUSE OF DELEGATES
ANNAPOLIS, MARYLAND 21401

SUPPORT TESTIMONY

HB 925 - Vehicle Excise Tax - Rate Increase

The Honorable Vanessa E. Atterbeary, Chair
Ways and Means Committee
Maryland House of Delegates
6 Bladen Street, Room 131
Annapolis, MD 21401

Chair Atterbeary, Vice-Chair Wilkins, and Esteemed Members of the Ways and Means Committee:

House Bill 925 proposes a small modification of Maryland's motor vehicle excise rate from 6% to 6.5%. This move is financially astute and essential to meet the state's infrastructure needs. Since its last update in 2007, the excise rate has been one of the few targeted revenue streams to protect our transportation system. The 0.5% increase is modest when purchasing a vehicle in Maryland that can substantially improve our transportation funding challenges. For perspective, the increase in the purchase of a \$30,000 vehicle in Maryland is \$150.

The one-half of one percent change could produce additional revenue for the state's critical transportation portfolio north of eighty-five million dollars annually. The excise rate fund goes directly to the Transportation Trust Fund, helping every county in Maryland afford numerous transportation and transit-based programs. This critical lifeline to our transportation portfolio impacts every Marylander's quality of life.

It's worth mentioning that even with this adjustment, Maryland's excise rate remains competitive within the region, considering the varying rates and structures of neighboring states. A 0.5% increase represents a careful balance, keeping Maryland appealing to residents and businesses while securing essential infrastructure funding.

This tax increase is fundamentally an investment in Maryland's future, promising to address funding shortfalls, bolster local economies, and improve residents' quality of life. I request a favorable committee report on House Bill 925, marking a step forward in maintaining Maryland's infrastructure and upholding our dedication to fiscal prudence and regional competitiveness.

Thank you,

A handwritten signature in blue ink that reads "Kris Fair".

Delegate Kris Fair
District 3, Frederick County