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**By: Delegates Edwards and Harkins**

Introduced and read first time: January 31, 1996

Assigned to: Ways and Means

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A BILL ENTITLED

1 AN ACT concerning

2 **Motor Vehicle Excise Tax - Purchase Price - Trade-In Allowance**

3 FOR the purpose of altering a definition under the motor vehicle excisetax to reduce the  
4 total purchase price on which the tax is calculated by an allowance for any trade-in  
5 consideration; phasing in the reduction over a certain period; and providing for a  
6 delayed effective date.

7 BY repealing and reenacting, with amendments,  
8 Article - Transportation  
9 Section 13-809(a)  
10 Annotated Code of Maryland  
11 (1992 Replacement Volume and 1995 Supplement)

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

14 **Article - Transportation**

15 13-809.

16 (a) (1) In this section the following words have the meanings indicated.

17 (2) "Fair market value" means:

18 (i) As to the sale of any new or used vehicle by a licensed dealer, the  
19 total purchase price, as certified by the dealer;

20 (ii) As to a used vehicle that is sold by any person other than a licensed  
21 dealer and that has a designated model year that is 7 years old or older, the greater of:

22 1. The total purchase price; or

23 2. \$500;

24 (iii) As to any other used vehicle that is sold by any person other than  
25 a licensed dealer, either:

26 1. The greater of the total purchase price, if verified by means  
27 of a notarized bill of sale, signed by both the buyer and the seller, in which the actual  
28 price paid for the vehicle is stated or \$500; or

