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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

•	4 T T	4 000	
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:
- (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 otherthan 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

2. In the case where the bill of sale does not accompany the
2 title, either the total purchase price or the valuation shown in a national publication of
3 used car values adopted for use by the Department; and
4 (iv) In any other case, the total purchase price or the valuation shown 5 in a national publication of used car values adopted for use by the Department.
6 (3) (I) "Total purchase price" means the price of a vehicle agreed on by 7 the buyer and the seller, [with no] LESS AN allowance for trade-in [or] 8 CONSIDERATION AS PROVIDED IN SUBPARAGRAPH (II) OF THIS PARAGRAPH BUT 9 WITH NO ALLOWANCE FOR other nonmonetary consideration.
10 (II) THE TOTAL PURCHASE PRICE SHALL BE REDUCED BY AN 11 ALLOWANCE FOR TRADE-IN CONSIDERATION AS FOLLOWS:
1. FOR THE FISCAL YEAR THAT BEGINS JULY 1, 1997, THE 13 TOTAL PURCHASE PRICE SHALL BE REDUCED BY 20% OF ANY TRADE-IN 14 CONSIDERATION;
2. FOR THE FISCAL YEAR THAT BEGINS JULY 1, 1998, THE 16 TOTAL PURCHASE PRICE SHALL BE REDUCED BY 40% OF ANY TRADE-IN 17 CONSIDERATION;
3. FOR THE FISCAL YEAR THAT BEGINS JULY 1, 1999, THE 19 TOTAL PURCHASE PRICE SHALL BE REDUCED BY 60% OF ANY TRADE-IN 20 CONSIDERATION;
21 4. FOR THE FISCAL YEAR THAT BEGINS JULY 1, 2000, THE 22 TOTAL PURCHASE PRICE SHALL BE REDUCED BY 80% OF ANY TRADE-IN 23 CONSIDERATION; AND
24 5. FOR FISCAL YEARS BEGINNING ON OR AFTER JULY 1, 2001, 25 THE TOTAL PURCHASE PRICE SHALL BE REDUCED BY 100% OF ANY TRADE-IN 26 CONSIDERATION.
SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect 28 July 1, 1997.