

Department of Fiscal Services
Maryland General Assembly

FISCAL NOTE
Revised

House Bill 1092 (Delegate Edwards, et al.)
Ways and Means

Referred to Budget and Taxation

**Vehicle Laws - Excise Tax - Vehicles Employed in Coal Mining Operations -
Exemption**

This enrolled bill exempts from the motor vehicle excise tax vehicles owned by a coal company used exclusively in or on coal mining property for the transportation of workers, coal, or equipment.

This bill is effective October 1, 1996, and applies to all tax years beginning after December 31, 1997, and before December 31, 2000.

Fiscal Summary

State Effect: Revenues could decline by approximately \$24,300 in FY 1999. Expenditures would not be affected.

Local Effect: Local revenues could decline by \$7,700 in FY 1999. Expenditures would not be affected.

Fiscal Analysis

State Revenues: Transportation Trust Fund revenues could decline by an estimated \$32,000 in fiscal 1999. This amount represents the motor vehicle excise tax paid on humvees recently purchased by a coal mining company to replace mining equipment used to transport workers to and from the mine. These vehicles are expected to last about four years on average, and will therefore be replaced during fiscal 1999. The equipment which was replaced is not subject to the motor vehicle excise tax and is exempt from the sales tax.

Of the \$32,000 loss, 76% (\$24,320) would be from the State's distributions from the Transportation Trust Fund.

There may be a minimal cost above this amount if any other coal companies have vehicles operating exclusively in or on coal mining property, but the number of vehicles which could qualify is expected to be negligible.

Local Revenues: Since 80% of the vehicle titling tax is credited to the Gasoline and Motor Vehicle Revenue Account, and since this account is distributed 70% to the State and 30% to local governments, local revenues could decline by \$7,680 in fiscal 1999.

Information Source(s): Department of Transportation (Motor Vehicle Administration), Mettiki Coal Corporation, Department of Fiscal Services

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ncs Revised - House Third Reader - March 21, 1996
lc Revised - Enrolled Bill - April 30, 1996

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