
**By: Delegates McClenahan, Campbell, Wood, Bonsack, McKee, C. Davis, V. Mitchell,
Poole, Kach, Kelly, and Conroy**

Introduced and read first time: February 14, 1997

Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Boat Excise Tax**

3 FOR the purpose of altering the boat excise tax rate; and excluding from the computation
4 of the boat excise tax the value, as shown in a certain publication, of any vessel that
5 is traded in as part of the consideration for the sale.

6 BY repealing and reenacting, with amendments,
7 Article - Natural Resources
8 Section 8-716(a) and (c)
9 Annotated Code of Maryland
10 (1990 Replacement Volume and 1996 Supplement)

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

13 **Article - Natural Resources**

14 8-716.

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

16 (2) "Fair market value" means:

17 (i) As to the sale of any vessel by a licensed dealer, the total purchase
18 price, as certified by the dealer, LESS THE VALUE OF ANY VESSEL THAT IS TRADED IN
19 AS PART OF THE CONSIDERATION FOR THE SALE, AS SHOWN IN A NATIONAL
20 PUBLICATION OF USED VESSEL VALUES ADOPTED BY THE DEPARTMENT;

21 (ii) As to any other vessel that is sold by any person other than a
22 licensed dealer, the greater of:

23 1. The total purchase price; or

24 2. \$100; or

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

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1 1. The total purchase price, if verified by means of a certified
2 bill of sale approved by the Department, in which the actual price paid for the vessel is
3 stated; or

4 2. The valuation shown in a national publication of used vessel
5 values adopted by the Department if a certified bill of sale does not accompany the
6 application.

7 (3) "Used principally in this State" means that this State is the State of
8 principal use as defined in § 8-701(n) of this subtitle, except that in calculating where the
9 vessel is used or used most, a vessel is not considered to be in use for any period of time
10 that it is held for maintenance or repair for 30 consecutive days or more.

11 (4) "Total purchase price" means the price of a vessel, including
12 simultaneously purchased motors, spars, sails, and accessories exclusive of trailer, agreed
13 on by the buyer and seller, with no deduction for trade-in or other nonmonetary
14 consideration.

15 (5) (i) "Vessel" has the meaning indicated in § 8-701(p) of this subtitle.

16 (ii) "Vessel" does not include a ship's lifeboat, a vessel propelled only
17 by sail, or vessel manually propelled.

18 (c) (1) Except as provided in § 8-715(d) of this subtitle and in subsections (e)
19 and (f) of this section, and in addition to the fees prescribed in subsection (b) of this
20 section, an excise tax is levied at the rate of [5%] 4% of the fair market value of the
21 vessel on:

22 (i) The issuance of every original certificate of title required for a
23 vessel under this subtitle;

24 (ii) The issuance of every subsequent certificate of title for the sale,
25 resale, or transfer of the vessel;

26 (iii) The sale within the State of every other vessel; and

27 (iv) The possession within the State of a vessel purchased outside the
28 State to be used principally in the State.

29 (2) Notwithstanding the provisions of this subsection, no tax is paid on
30 issuance of any certificate of title if the owner of the vessel for which a certificate of title
31 is sought was the owner of the vessel prior to June 1, 1965, or paid Maryland sales and use
32 tax on the vessel as required by law at the time of acquisition. The Department may
33 require the applicant for titling to submit satisfactory proof that the applicant owned the
34 vessel prior to June 1, 1965.

35 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
36 July 1, 1997.