
By: Delegates McClenahan, Campbell, Wood, Bonsack, McKee, C. Davis, V. Mitchell, Poole, Kach, Kelly, and Conroy ~~Conroy, W. Baker, Leopold, Howard, and Cryor~~

Introduced and read first time: February 14, 1997

Assigned to: Ways and Means

Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 20, 1997

CHAPTER ____

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~~ which may be determined by using a
5 certain publication, of any vessel that is traded in as part of the consideration for
6 the sale providing that a certain task force continue its deliberations, study certain
7 issues, and submit a certain report to the General Assembly on or before a certain
8 date; and providing for the termination of this Act.

9 BY repealing and reenacting, with amendments,
10 Article - Natural Resources
11 Section 8-716(a) ~~and (e)~~
12 Annotated Code of Maryland
13 (1990 Replacement Volume and 1996 Supplement)

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

16 **Article - Natural Resources**

17 8-716.

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

19 (2) "Fair market value" means:

20 (i) As to the sale of any vessel by a licensed dealer, the total purchase
21 price, as certified by the dealer, LESS THE VALUE OF ANY VESSEL THAT IS TRADED IN
22 AS PART OF THE CONSIDERATION FOR THE SALE, ~~AS SHOWN IN~~ WHICH MAY BE

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1 DETERMINED BY USING A NATIONAL PUBLICATION OF USED VESSEL VALUES
2 ADOPTED BY THE DEPARTMENT;

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

5 1. The total purchase price; or

6 2. \$100; or

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

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

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

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

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

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

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

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

30 ~~(i) The issuance of every original certificate of title required for a~~
31 ~~vessel under this subtitle;~~

32 ~~(ii) The issuance of every subsequent certificate of title for the sale,~~
33 ~~resale, or transfer of the vessel;~~

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

35 ~~(iv) The possession within the State of a vessel purchased outside the~~
36 ~~State to be used principally in the State.~~

37 ~~(2) Notwithstanding the provisions of this subsection, no tax is paid on~~
38 ~~issuance of any certificate of title if the owner of the vessel for which a certificate of title~~

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1 is sought was the owner of the vessel prior to June 1, 1965, or paid Maryland sales and use
2 tax on the vessel as required by law at the time of acquisition. The Department may
3 require the applicant for titling to submit satisfactory proof that the applicant owned the
4 vessel prior to June 1, 1965.

5 SECTION 2. AND BE IT FURTHER ENACTED, That the Marine Industry
6 Economic Development Task Force that was formed by the Marine Trades Association of
7 Maryland, Inc., the Department of Natural Resources, and the Department of Business
8 and Economic Development in 1996 shall continue its deliberations and in addition to its
9 original charges shall study the feasibility of and strategies for reducing the vessel excise
10 tax by 1%, including funding by the Department of Natural Resources of a survey to be
11 conducted by the University of Maryland Sea Grant College to generate data on the
12 economic impact of this excise tax reduction, and to study the impact of the trade-in
13 provision under § 8-716(a)(2)(i) of the Natural Resources Article as enacted by Section
14 1 of this Act. The Task Force shall report to the General Assembly on or before
15 December 1, 1997, in accordance with § 2-1312 of the State Government Article.

16 SECTION 3. AND BE IT FURTHER ENACTED, That, this Act shall remain
17 effective for a period of 3 years and, at the end of June 30, 2000, with no further action
18 required by the General Assembly, this Act shall be abrogated and of no further force
19 and effect.

20 SECTION 2- 4. AND BE IT FURTHER ENACTED, That this Act shall take effect
21 July 1, 1997.