
By: Delegate Curran

Introduced and read first time: February 21, 1997
Assigned to: Commerce and Government Matters

Committee Report: Favorable with amendments
House action: Adopted
Read second time: March 19, 1997

CHAPTER ____

1 AN ACT concerning

2 **Vehicle Laws - Collection of Excise Tax by Title Services - Commission**

3 FOR the purpose of providing that a title service that collects excise tax on behalf of the
4 Motor Vehicle Administration (MVA) ~~for titling certain vehicles~~ is entitled to
5 retain a specified percentage in the same manner as a licensed dealer; treating a
6 title service in the same manner as a dealer for certain purposes pertaining to
7 record keeping, collection of taxes and fees, and penalties; eliminating the
8 limitation on the right to retain the percentage of the excise tax based on
9 enumerated types of vehicles; making stylistic changes; and generally relating to the
10 collection of taxes and fees by dealers and title services on behalf of the MVA.

11 BY repealing and reenacting, with amendments,
12 Article - Transportation
13 Section 13-812
14 Annotated Code of Maryland
15 (1992 Replacement Volume and 1996 Supplement)

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

18 **Article - Transportation**

19 13-812.

20 (a) For collecting and remitting the tax, a licensed dealer OR A TITLE SERVICE
21 [who] THAT, on behalf of the Administration, collects the excise tax imposed by this part
22 ~~for any Class A (passenger) vehicle, Class D (motorcycle) vehicle, Class G (trailer) travel~~
23 ~~trailer or camping trailer, or Class M (multipurpose) vehicle,~~ may keep 1.2 percent of the

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1 gross excise tax [he] A LICENSED DEALER OR A TITLE SERVICE collects for ~~these~~
2 TITLING vehicles.

3 (b) Each dealer OR TITLE SERVICE [who] THAT collects any tax or fee required
4 for titling a vehicle shall:

5 (1) Keep complete and accurate records of each taxable sale, together with
6 a record of the tax collected on the sale;

7 (2) Keep copies of every invoice, bill of sale, and other pertinent documents
8 and records, in the form that the Administration requires; and

9 (3) Preserve these records in original form for at least 3 years, unless the
10 Administration consents in writing to their earlier destruction or, by order, requires that
11 they be kept for a longer period.

12 (c) Each dealer OR TITLE SERVICE [who] THAT collects any tax or fee required
13 for titling a vehicle shall, during business hours, allow any representative of the
14 Administration and any police officer full access to records required to be kept under
15 subsection (b) of this section.

16 (d) If the Administration finds that the records of a dealer OR A TITLE SERVICE
17 are inadequate or incorrect and that the amount of excise tax collected for the
18 Administration on these sales cannot be determined accurately from the records:

19 (1) The Administration shall determine the taxable sales of the dealer OR
20 TITLE SERVICE for the period involved and compute the tax from the best information
21 available; and

22 (2) The determination and computation of the Administration are prima
23 facie correct.

24 (e) (1) If, under subsection (d) of this section, the Administration determines
25 the sales of vehicles and computes the tax due, it shall:

26 (i) Levy an assessment against the dealer OR TITLE SERVICE for the
27 deficiency, interest, and penalties in the manner authorized in §§ 13-401, 13-601, and
28 13-701 of the Tax - General Article; and

29 (ii) Notify the dealer OR TITLE SERVICE of the tax due and of the
30 amount of the deficiency assessment.

31 (2) If the dealer OR TITLE SERVICE fails to pay the tax and assessment
32 within 10 days after receiving the notice from the Administration, the Administration may
33 levy, in addition to the tax and assessment, a penalty equal to 25 percent of the tax due.

34 (f) If a dealer OR TITLE SERVICE fails to keep any records of sales of vehicles,
35 the Administration may compute the tax due as provided in § 13-407 of the Tax - General
36 Article.

37 (g) All amounts received from any dealer OR TITLE SERVICE under this section
38 shall be credited:

39 (1) First, to any penalty and interest accrued under this section; and

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1 (2) Then, to the tax due.

2 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
3 October 1, 1997.