
By: **Delegates Muse, Hixson, Benson, Marriott, and Patterson**
Introduced and read first time: February 13, 1998
Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Vehicle Laws - Collection of Excise Tax**

3 FOR the purpose of authorizing the Motor Vehicle Administration to request
4 additional information from applicants for certificates of title or for registration
5 to substantiate the purchase price of certain vehicles under certain
6 circumstances; authorizing the Administration to assess the excise tax on a
7 vehicle on the basis of a certain valuation if certain information is not provided;
8 and generally relating to the calculation of the excise tax on vehicles.

9 BY repealing and reenacting, with amendments,
10 Article - Transportation
11 Section 13-809
12 Annotated Code of Maryland
13 (1992 Replacement Volume and 1997 Supplement)

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

16 **Article - Transportation**

17 13-809.

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 new or used vehicle by a licensed dealer,
21 the total purchase price, as certified by the dealer;

22 (ii) As to a used vehicle that is sold by any person other than a
23 licensed dealer and that has a designated model year that is 7 years old or older, the
24 greater of:

25 1. The total purchase price; or

26 2. \$500;

1 (iii) As to any other used vehicle that is sold by any person other
2 than a licensed dealer, either:

3 1. The greater of the total purchase price, if verified by
4 means of a notarized bill of sale, signed by both the buyer and the seller, in which the
5 actual price paid for the vehicle is stated or \$500; or

6 2. In the case where the bill of sale does not accompany the
7 title, either the total purchase price or the valuation shown in a national publication
8 of used car values adopted for use by the Department; and

9 (iv) In any other case, the total purchase price or the valuation
10 shown in a national publication of used car values adopted for use by the Department.

11 (3) "Total purchase price" means the price of a vehicle agreed on by the
12 buyer and the seller, with no allowance for trade-in or other nonmonetary
13 consideration.

14 (b) (1) Except as otherwise provided in this part, in addition to any other
15 charge required by the Maryland Vehicle Law, an excise tax is imposed:

16 (i) For each original and each subsequent certificate of title issued
17 in this State for a motor vehicle, trailer, or semitrailer; and

18 (ii) Except as provided in paragraph (2) of this subsection, for each
19 motor vehicle, trailer, or semitrailer that is in interstate operation and registered
20 under § 13-109(c) or (d) of this title without a certificate of title.

21 (2) An excise tax of \$50 is imposed for the registration of a trailer exempt
22 from the titling requirement under § 13-102(12) of this title.

23 (3) A political subdivision of the State may not impose a sales tax, a use
24 tax, or excise tax on the issuance of a motor vehicle certificate of title.

25 (c) (1) Except as provided in subsection (b)(2) of this section, the tax
26 imposed by this section is 5 percent of the fair market value of the vehicle.

27 (2) If the vehicle formerly was a vehicle exempt from the tax imposed by
28 this section, the tax shall be reduced by any amount previously paid by the present
29 owner as a sales and use tax on the vehicle under Title 11 of the Tax - General Article.

30 (3) (i) If the vehicle was formerly titled and registered in another state
31 and the present owner has not been a Maryland resident for more than 30 days and
32 has paid a sales or excise tax to that state at a rate less than that imposed by this
33 State, then the tax imposed shall apply but at a rate measured by the difference only
34 between the tax rate paid to the other state and the tax rate imposed by this section.

35 (ii) Except as provided in subsection (b)(2) of this section, the
36 minimum tax imposed under this section shall be \$100.

1 (d) Each applicant for a certificate of title or for registration under § 13-109(c)
2 of this title shall submit to the Administration:

3 (1) The information that the Administration considers necessary as to:

4 (i) The time of purchase of the vehicle; and

5 (ii) The purchase price and other information relating to the
6 determination of the fair market value of the vehicle; and

7 (2) (I) If the excise tax is based on the total purchase price of the
8 vehicle, a certified bill of sale; AND

9 (II) ANY INFORMATION REQUESTED BY THE ADMINISTRATION
10 UNDER SUBSECTION (E) OF THIS SECTION.

11 (E) (1) NOTWITHSTANDING ITEM (A)(III)(2)1 OF THIS SECTION, IF THE
12 PURCHASE PRICE OF A USED VEHICLE IS MORE THAN 20 PERCENT BELOW THE FAIR
13 MARKET VALUE FOR THE VEHICLE AS SHOWN IN THE NATIONAL PUBLICATION OF
14 USED CAR VALUES ADOPTED FOR USE BY THE ADMINISTRATION, THE
15 ADMINISTRATION MAY REQUEST AN APPLICANT FOR A CERTIFICATE OF TITLE OR
16 FOR REGISTRATION UNDER § 13-109(C) OF THIS TITLE TO PROVIDE ADDITIONAL
17 INFORMATION TO SUBSTANTIATE THE PURCHASE PRICE OF THE VEHICLE.

18 (2) IF THE APPLICANT DOES NOT SUPPLY ADDITIONAL INFORMATION
19 THAT IS SATISFACTORY TO THE ADMINISTRATION, THE ADMINISTRATION MAY
20 ASSESS THE EXCISE TAX BASED ON THE VALUATION SHOWN IN THE NATIONAL
21 PUBLICATION OF USED CAR VALUES ADOPTED FOR USE BY THE ADMINISTRATION.

22 [(e)] (F) Any person who fails to pay the excise tax as required in this section
23 is guilty of a misdemeanor and on conviction is subject to a fine not exceeding \$1,000.

24 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
25 October 1, 1998.