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By: **Delegates Muse, Hixson, Benson, Marriott, and Patterson**

Introduced and read first time: February 13, 1998

Assigned to: Ways and Means

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Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 24, 1998

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CHAPTER \_\_\_\_\_

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~~ requiring the Administration to assess the excise tax  
7 on a vehicle on the basis of a certain valuation if certain information is not  
8 provided; providing for a delayed effective date; and generally relating to the  
9 calculation of the excise tax on vehicles.

10 BY repealing and reenacting, with amendments,  
11 Article - Transportation  
12 Section 13-809  
13 Annotated Code of Maryland  
14 (1992 Replacement Volume and 1997 Supplement)

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

17 **Article - Transportation**

18 13-809.

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

20 (2) "Fair market value" means:

1 (i) As to the sale of any new or used vehicle by a licensed dealer,  
2 the total purchase price, as certified by the dealer;

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

6 1. The total purchase price; or

7 2. \$500;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

18 (E) (1) ~~NOTWITHSTANDING ITEM (A)(III)(2) SUBSECTION (A)(2)(III)1 OF THIS~~  
 19 ~~SECTION, IF THE PURCHASE PRICE OF A USED VEHICLE IS MORE THAN 20 PERCENT~~  
 20 ~~BELOW THE FAIR MARKET VALUE FOR THE VEHICLE AS SHOWN IN THE NATIONAL~~  
 21 ~~PUBLICATION OF USED CAR VALUES ADOPTED FOR USE BY THE ADMINISTRATION,~~  
 22 ~~THE ADMINISTRATION MAY SHALL REQUEST AN APPLICANT FOR A CERTIFICATE OF~~  
 23 ~~TITLE OR FOR REGISTRATION UNDER § 13-109(C) OF THIS TITLE TO PROVIDE~~  
 24 ~~ADDITIONAL INFORMATION ONE OF THE FOLLOWING ITEMS TO SUBSTANTIATE THE~~  
 25 ~~PURCHASE PRICE OF THE VEHICLE VEHICLE:~~

26 (I) CANCELED CHECK;

27 (II) RECEIPT OF MONEY ORDER;

28 (III) LOAN DOCUMENTATION; OR

29 (IV) NOTARIZED STATEMENT BY THE SELLER CERTIFYING THE  
 30 PURCHASE PRICE.

31 (2) IF THE APPLICANT DOES NOT SUPPLY ~~ADDITIONAL INFORMATION~~  
 32 THE INFORMATION SPECIFIED IN PARAGRAPH (1) OF THIS SUBSECTION THAT IS  
 33 SATISFACTORY TO THE ADMINISTRATION, THE ADMINISTRATION MAY ASSESS THE  
 34 EXCISE TAX BASED ON THE VALUATION SHOWN IN THE NATIONAL PUBLICATION OF  
 35 USED CAR VALUES ADOPTED FOR USE BY THE ADMINISTRATION.

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

3 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
4 ~~October 1, 1998~~ January 1, 1999.