

Department of Legislative Services
Maryland General Assembly

FISCAL NOTE

House Bill 233 (Chairman, Ways and Means Committee)
(Departmental - Transportation)

Ways and Means

Vehicle Excise Tax - Exemptions

This departmental bill exempts a vehicle from the vehicle excise tax if: (1) the vehicle is used exclusively to transport disabled or elderly people; (2) the vehicle is owned by a nonprofit organization; and (3) the Mass Transit Administration (MTA) retains a security interest in the vehicle.

Fiscal Summary

State Effect: None. MTA is currently co-owner of over 500 paratransit vehicles. Therefore, these vehicles already are exempt from the excise tax. If the MTA withdraws from ownership the bill would allow certain nonprofit organizations to retain tax exempt status for the vehicles.

Local Effect: None.

Small Business Effect: None. The Department of Transportation has determined that this bill has minimal or no impact on small businesses (attached). Legislative Services concurs with this assessment.

Fiscal Analysis

Additional Comments: The MTA advises that it will remove itself from the titles of paratransit vehicles if this bill is implemented. While the bill exempts nonprofit organizations from paying the vehicle excise tax on the vehicles, they will be required to pay annual registration (\$35 - \$350) and lien fees (\$20) to the Motor Vehicle Administration.

Information Source(s): Department of Transportation (Mass Transit Administration),
Department of Legislative Services

Fiscal Note History: First Reader - February 10, 1998

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