
By: **Delegates Dewberry and Rudolph**
Introduced and read first time: February 10, 1999
Assigned to: Ways and Means

Committee Report: Favorable with amendments
House action: Adopted
Read second time: March 22, 1999

CHAPTER _____

1 AN ACT concerning

2 **Motor Vehicle Titling Tax - Exercise of Option to Purchase Under Vehicle**
3 **Leasing Agreement**

4 FOR the purpose of exempting from the motor vehicle titling tax a vehicle titled in
5 this State that is transferred to a lessee who exercises an option under a vehicle
6 lease to purchase the leased vehicle at the end of the lease; providing for a
7 delayed effective date; and providing for the application of this Act.

8 BY repealing and reenacting, with amendments,
9 Article - Transportation
10 Section 13-810(c)
11 Annotated Code of Maryland
12 (1998 Replacement Volume and 1998 Supplement)

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

15 **Article - Transportation**

16 13-810.

17 (c) On transfer of a vehicle titled in this State and issuance of a subsequent
18 certificate of title, the vehicle is exempt from the excise tax imposed by this part, if it
19 is:

20 (1) A vehicle transferred to a spouse, son, daughter, grandchild, parent,
21 sister, brother, grandparent, father-in-law, mother-in-law, son-in-law, or

1 daughter-in-law of the transferor, and no money or other valuable consideration is
2 involved in the transfer;

3 (2) A vehicle repossessed under a security agreement, unless the sale of
4 the vehicle is required under the agreement;

5 (3) A vehicle transferred from an individual to a partnership, limited
6 liability company, or corporation or from a partnership, limited liability company, or
7 corporation to a subpartnership, subsidiary limited liability company, or subsidiary
8 corporation, if the individual, partnership, limited liability company, or corporation is
9 a partner, member, or principal stockholder of the newly formed partnership,
10 subpartnership, limited liability company, subsidiary limited liability company,
11 corporation, or subsidiary corporation, as the case may be;

12 (4) A vehicle transferred to a legal heir, legatee, or distributee;

13 (5) A vehicle involuntarily transferred as a result of divorce or separation
14 proceedings;

15 (6) A vehicle that is jointly owned and transferred to the name of one of
16 the owners, if the transferee can establish to the satisfaction of the Administration
17 that the transferor did not pay any part of the original purchase price of the vehicle or
18 any applicable taxes or fees for the vehicle;

19 (7) A vehicle transferred by a corporation to its stockholder or
20 stockholders or by a limited liability company to its member or members as a
21 liquidating distribution of tangible personal property where the vehicle or vehicles
22 transferred are not a principal or substantial asset of the corporation or limited
23 liability company as determined by the Administration;

24 (8) A vehicle transferred as a result of a reorganization within the
25 meaning of § 368(a) of the Internal Revenue Code; [or]

26 (9) A vehicle transferred to a Family Investment Program recipient or an
27 individual certified by the Department of Human Resources or a local department of
28 social services as eligible for transfer of the vehicle that was exempted from the excise
29 tax imposed by this part under subsection (a)(24) of this section[.]; OR

30 (10) A VEHICLE TRANSFERRED TO A LESSEE WHO EXERCISES AN OPTION
31 UNDER A VEHICLE LEASING AGREEMENT FOR AN INITIAL TERM OF MORE THAN 180
32 CONSECUTIVE DAYS TO PURCHASE THE LEASED VEHICLE AT THE END OF THE
33 LEASE.

34 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
35 October 1, ~~1999~~ 2000 and shall be applicable to any vehicle transferred on or after
36 October 1, ~~1999~~ 2000.

