

Department of Legislative Services  
Maryland General Assembly  
1999 Session

FISCAL NOTE  
Revised

House Bill 1154 (Delegate Menes)

Ways and Means

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**Motor Vehicles - Transfers Between Family Members - Exemption from Excise Tax**

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This bill adds an aunt, uncle, niece, or nephew of a vehicle owner to the list of exempted relatives who are not required to pay the excise tax if the vehicle is transferred to them.

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**Fiscal Summary**

**State Effect:** Minimal decrease in Transportation Trust Fund (TTF) revenues. No effect on expenditures.

**Local Effect:** Minimal decrease in revenue.

**Small Business Effect:** None.

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**Fiscal Analysis**

**State Revenues:** In the absence of any records that definitively indicate how many vehicles are transferred to an aunt, uncle, niece, or nephew, it is estimated that there are 350 vehicle transfers each year that would be exempt from the excise tax under this bill. Assuming the average vehicle involved in such a transfer is valued at \$2,000, the average tax lost would be \$100. Local governments receive 24% of titling tax revenues. Accordingly, based on these assumptions, TTF revenues would decrease by \$76 per transaction or \$26,600 annually.

**Local Revenues:** As noted above, local governments receive 24% of titling tax revenue. However, the bill is not expected to significantly impact the local share of highway user revenues.

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**Information Source(s):** Maryland Department of Transportation (Motor Vehicle Administration), Department of Legislative Services

**Fiscal Note History:** First Reader - March 17, 1999

lnc/jr Revised - House Third Reader - April 1, 1999

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Analysis by: Jody J. Minnich

Direct Inquiries to:

John Rixey, Coordinating Analyst

(410) 946-5510

(301) 970-5510