

HOUSE BILL 462

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Q7  
HB1034/99 - W&M

2000 Regular Session  
0lr1730

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By: **Delegate C. Davis**

Introduced and read first time: February 4, 2000

Assigned to: Ways and Means

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A BILL ENTITLED

1 AN ACT concerning

2 **Transportation Funding**

3 FOR the purpose of providing for the distribution of certain sales and use tax revenue  
4 to the Gasoline and Motor Vehicle Account of the Transportation Trust Fund;  
5 altering the motor fuel tax rate; altering the sales and use tax rate; pledging  
6 certain taxes collected to pay the principal and interest on certain bonds;  
7 altering certain annual vehicle registration fees; and generally relating to  
8 certain taxes used for certain transportation funding.

9 BY adding to  
10 Article - Tax - General  
11 Section 2-1302.2  
12 Annotated Code of Maryland  
13 (1997 Replacement Volume and 1999 Supplement)

14 BY repealing and reenacting, with amendments,  
15 Article - Tax - General  
16 Section 2-1303, 9-305, and 11-104  
17 Annotated Code of Maryland  
18 (1997 Replacement Volume and 1999 Supplement)

19 BY repealing and reenacting, with amendments,  
20 Article - Transportation  
21 Section 3-215(b) and 8-402(b)  
22 Annotated Code of Maryland  
23 (1993 Replacement Volume and 1999 Supplement)

24 BY repealing and reenacting, with amendments,  
25 Article - Transportation  
26 Section 13-912(b)  
27 Annotated Code of Maryland  
28 (1999 Replacement Volume and 1999 Supplement)

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

3 **Article - Tax - General**

4 2-1302.2.

5 AFTER MAKING THE DISTRIBUTIONS REQUIRED UNDER §§ 2-1301 THROUGH  
6 2-1302.1 OF THIS SUBTITLE, THE COMPTROLLER SHALL PAY ONE-SIXTH OF THE  
7 REMAINING SALES AND USE TAX REVENUE TO THE GASOLINE AND MOTOR VEHICLE  
8 REVENUE ACCOUNT OF THE TRANSPORTATION TRUST FUND.

9 2-1303.

10 After making the distributions required under §§ 2-1301 through [2-1302.1]  
11 2-1302.2 of this subtitle, the Comptroller shall pay the remaining sales and use tax  
12 revenue into the General Fund of the State.

13 9-305.

14 The motor fuel tax rate is:

- 15 (1) 7 cents for each gallon of aviation gasoline;
- 16 (2) [23.5] 28.5 cents for each gallon of gasoline other than aviation  
17 gasoline;
- 18 (3) [24.25] 29.25 cents for each gallon of special fuel other than  
19 clean-burning fuel or turbine fuel;
- 20 (4) 7 cents for each gallon of turbine fuel; and
- 21 (5) [23.5] 28.5 cents for each gasoline-equivalent gallon of  
22 clean-burning fuel except electricity.

23 11-104.

24 (a) Except as otherwise provided in this section, the sales and use tax rate is:

- 25 (1) for a taxable price of less than \$1:
- 26 (i) 1 cent if the taxable price is 20 cents; [and]
- 27 (ii) [1 cent for each additional 20 cents or part of 20 cents; and] 2  
28 CENTS IF THE TAXABLE PRICE IS AT LEAST 21 CENTS BUT LESS THAN 34 CENTS;
- 29 (III) 3 CENTS IF THE TAXABLE PRICE IS AT LEAST 34 CENTS BUT  
30 LESS THAN 51 CENTS;
- 31 (IV) 4 CENTS IF THE TAXABLE PRICE IS AT LEAST 51 CENTS BUT  
32 LESS THAN 67 CENTS;

1 (V) 5 CENTS IF THE TAXABLE PRICE IS AT LEAST 67 CENTS BUT  
2 LESS THAN 84 CENTS; AND

3 (VI) 6 CENTS IF THE TAXABLE PRICE IS AT LEAST 84 CENTS; AND

4 (2) for a taxable price of \$1 or more:

5 (i) [5] 6 cents for each exact dollar; and

6 (ii) [1 cent for each 20 cents or part of 20 cents] FOR THAT PART OF  
7 A DOLLAR in excess of an exact dollar:

8 1. 1 CENT IF THE EXCESS OVER AN EXACT DOLLAR IS AT  
9 LEAST 1 CENT BUT LESS THAN 17 CENTS;

10 2. 2 CENTS IF THE EXCESS OVER AN EXACT DOLLAR IS AT  
11 LEAST 17 CENTS BUT LESS THAN 34 CENTS;

12 3. 3 CENTS IF THE EXCESS OVER AN EXACT DOLLAR IS AT  
13 LEAST 34 CENTS BUT LESS THAN 51 CENTS;

14 4. 4 CENTS IF THE EXCESS OVER AN EXACT DOLLAR IS AT  
15 LEAST 51 CENTS BUT LESS THAN 67 CENTS;

16 5. 5 CENTS IF THE EXCESS OVER AN EXACT DOLLAR IS AT  
17 LEAST 67 CENTS BUT LESS THAN 84 CENTS; AND

18 6. 6 CENTS IF THE EXCESS OVER AN EXACT DOLLAR IS AT  
19 LEAST 84 CENTS.

20 (b) If a retail sale of tangible personal property or a taxable service is made  
21 through a vending or other self-service machine, the sales and use tax rate is [5%]  
22 6%, applied to 95.25% of the gross receipts from the vending machine sales.

23 (c) (1) In this subsection:

24 (i) "short-term vehicle rental" means a rental of a passenger car,  
25 as defined in § 11-144.1 of the Transportation Article, or a vehicle that may be  
26 registered as a Class E, F, G, or M vehicle under Title 13, Subtitle 9 of the  
27 Transportation Article, for a period of 180 days or less under the following terms:

28 1. the vendor does not provide a driver for the vehicle as a  
29 part of the rental; and

30 2. if the vehicle is a passenger car, as defined in § 11-144.1 of  
31 the Transportation Article, or a multipurpose passenger vehicle, the vehicle is not to  
32 be used to transport individuals or property for hire; and

33 (ii) "short-term vehicle rental" does not include a rental of:

- 1 a dump truck, as described in § 13-919 of the  
 2 Transportation Article;
- 3 a tow truck, as described in § 13-920 of the Transportation  
 4 Article; or
- 5 a farm vehicle exempt from the sales and use tax under §  
 6 11-201(a) of this title.
- 7 (2) The sales and use tax rate for a short-term vehicle rental for a  
 8 taxable price of \$2 or more is:
- 9 (i) if the vehicle is a passenger car or a multipurpose passenger  
 10 vehicle:
- 11 1. [23] 25 cents for each exact multiple of \$2; and
- 12 2. for that part of \$2 in excess of an exact multiple of \$2, 1  
 13 CENT FOR EACH 8 CENTS OR PART OF 8 CENTS IN EXCESS OF AN EXACT MULTIPLE OF  
 14 \$2;[:
- 15 A. 1 cent if the excess over an exact multiple of \$2 is at least  
 16 1 cent but less than 9 cents;
- 17 B. 2 cents if the excess over an exact multiple of \$2 is at least  
 18 9 cents but less than 18 cents;
- 19 C. 3 cents if the excess over an exact multiple of \$2 is at least  
 20 18 cents but less than 27 cents;
- 21 D. 4 cents if the excess over an exact multiple of \$2 is at least  
 22 27 cents but less than 35 cents;
- 23 E. 5 cents if the excess over an exact multiple of \$2 is at least  
 24 35 cents but less than 44 cents;
- 25 F. 6 cents if the excess over an exact multiple of \$2 is at least  
 26 44 cents but less than 53 cents;
- 27 G. 7 cents if the excess over an exact multiple of \$2 is at least  
 28 53 cents but less than 61 cents;
- 29 H. 8 cents if the excess over an exact multiple of \$2 is at least  
 30 61 cents but less than 70 cents;
- 31 I. 9 cents if the excess over an exact multiple of \$2 is at least  
 32 70 cents but less than 79 cents;
- 33 J. 10 cents if the excess over an exact multiple of \$2 is at  
 34 least 79 cents but less than 87 cents;



**Article - Transportation**

1 3-215.

2 (b) The tax levied and imposed by this section consists of that part of the  
3 following taxes that are retained to the credit of the Department after distributions to  
4 the political subdivisions:

5 (1) The motor fuel tax revenue distributed under §§ 2-1103(2) and  
6 2-1104(4) of the Tax - General Article;

7 (2) The income tax revenue distributed under §§ 2-614 and 2-616 of the  
8 Tax - General Article;

9 (3) The excise tax imposed on vehicles by Part II of Title 13, Subtitle 8 of  
10 this article; [and]

11 (4) The sales and use tax revenues on short-term rental vehicles  
12 distributed under § 2-1302.1 of the Tax - General Article; AND

13 (5) THE SALES AND USE TAX REVENUE DISTRIBUTED UNDER § 2-1302.2  
14 OF THE TAX - GENERAL ARTICLE.

15 8-402.

16 (b) All revenues collected from the following, after deductions provided by law,  
17 shall be credited to the Gasoline and Motor Vehicle Revenue Account:

18 (1) All of the motor vehicle fuel tax;

19 (2) Except as otherwise provided by law, 80 percent of the vehicle titling  
20 tax;

21 (3) Except for revenues collected under Parts III and IV of Title 13,  
22 Subtitle 9 of this article, vehicle registration fees;

23 (4) The revenue disbursed to this account under §§ 2-614 and 2-617(1)  
24 of the Tax - General Article; [and]

25 (5) 80 percent of the funds distributed under § 2-1302.1 of the Tax -  
26 General Article to the Transportation Trust Fund from the sales and use tax collected  
27 on short-term vehicle rentals under § 11-104 of the Tax - General Article; AND

28 (6) THE SALES AND USE TAX REVENUE DISTRIBUTED UNDER § 2-1302.2  
29 OF THE TAX - GENERAL ARTICLE.

30 13-912.

31 (b) For each Class A (passenger) vehicle, the annual registration fee is:

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1                   (1)       For a vehicle with a manufacturer's shipping weight of 3,700 pounds  
2 or less -- [~~\$27.00~~] \$32.00; and

3                   (2)       For a vehicle with a manufacturer's shipping weight of more than  
4 3,700 pounds -- [~~\$40.50~~] \$45.50.

5       SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
6 July 1, 2000.