

SENATE BILL 230

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Q5

2000 Regular Session
(01r1917)

ENROLLED BILL

-- Budget and Taxation/Ways and Means --

Introduced by **Senators Kasemeyer and Bromwell, Bromwell, Hoffman, Van Hollen, Currie, Hogan, Lawlah, Madden, McFadden, Middleton, Munson, Neall, Ruben, Stoltzfus, and Stone**

Read and Examined by Proofreaders:

Proofreader.

Proofreader.

Sealed with the Great Seal and presented to the Governor, for his approval this
____ day of _____ at _____ o'clock, ____ M.

President.

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; ~~and~~ providing for the
7 application of this Act; providing that a certain exemption from the motor vehicle
8 titling tax does not apply until certain bonds are no longer outstanding and
9 unpaid; prohibiting the Motor Vehicle Administration from collecting the motor
10 vehicle titling tax on certain vehicles in certain fiscal years; providing for a
11 delayed effective date; and generally relating to exemptions to the motor vehicle
12 titling tax.

13 BY repealing and reenacting, with amendments,
14 Article - Transportation

1 Section 13-810(c)
2 Annotated Code of Maryland
3 (1999 Replacement Volume and 1999 Supplement)

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

6 **Article - Transportation**

7 13-810.

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

11 (1) A vehicle transferred to a spouse, son, daughter, grandchild, parent,
12 sister, brother, grandparent, father-in-law, mother-in-law, son-in-law, or
13 daughter-in-law of the transferor, and no money or other valuable consideration is
14 involved in the transfer;

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

17 (3) A vehicle transferred from an individual to a partnership, limited
18 liability company, or corporation or from a partnership, limited liability company, or
19 corporation to a subpartnership, subsidiary limited liability company, or subsidiary
20 corporation, if the individual, partnership, limited liability company, or corporation is
21 a partner, member, or principal stockholder of the newly formed partnership,
22 subpartnership, limited liability company, subsidiary limited liability company,
23 corporation, or subsidiary corporation, as the case may be;

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

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

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

31 (7) A vehicle transferred by a corporation to its stockholder or
32 stockholders or by a limited liability company to its member or members as a
33 liquidating distribution of tangible personal property where the vehicle or vehicles
34 transferred are not a principal or substantial asset of the corporation or limited
35 liability company as determined by the Administration;

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

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

5 (10) A VEHICLE TRANSFERRED TO A LESSEE WHO EXERCISES AN OPTION
6 UNDER A VEHICLE LEASING AGREEMENT FOR AN INITIAL TERM OF MORE THAN 180
7 CONSECUTIVE DAYS TO PURCHASE THE LEASED VEHICLE AT THE END OF THE
8 LEASE.

9 SECTION 2. AND BE IT FURTHER ENACTED, That, notwithstanding the
10 provisions of Section 1 of this Act, the exemption from the motor vehicle excise tax
11 under § 13-810(c)(10) of the Transportation Article as enacted under Section 1 of this
12 Act does not apply until any Consolidated Transportation Bonds that were issued by
13 the Department of Transportation before July 1, 2000 no longer remain outstanding
14 and unpaid; provided, however, that in any fiscal year for which funds are
15 appropriated by the General Assembly to pay the principal of and interest on the
16 Department of Transportation's Consolidated Transportation Bonds due and payable
17 in that fiscal year, the Motor Vehicle Administration may not collect the motor vehicle
18 excise tax otherwise imposed on a vehicle described in § 13-810(c)(10) of the
19 Transportation Article as enacted under Section 1 of this Act.

20 SECTION ~~2.~~ 3. AND BE IT FURTHER ENACTED, That this Act shall take
21 effect ~~October 1, 2000~~ July 1, 2001 and shall be applicable to any vehicle transferred
22 on or after ~~October 1, 2000~~ July 1, 2001.