

SENATE BILL 290

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Q5  
HB 479/96 - W&M

2000 Regular Session  
0lr1751

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By: **Senators Hafer, Mooney, Jacobs, Hooper, Ferguson, Stoltzfus, Haines,  
and Colburn**

Introduced and read first time: January 31, 2000

Assigned to: Budget and Taxation

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A BILL ENTITLED

1 AN ACT concerning

2 **Motor Vehicle Excise Tax - Purchase Price - Trade-In Allowance**

3 FOR the purpose of altering a definition under the motor vehicle excise tax to reduce  
4 the total purchase price on which the tax is calculated by an allowance for any  
5 trade-in consideration; phasing in the reduction over a certain period; and  
6 providing for a delayed effective date.

7 BY repealing and reenacting, with amendments,  
8 Article - Transportation  
9 Section 13-809(a)  
10 Annotated Code of Maryland  
11 (1999 Replacement Volume and 1999 Supplement)

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

14 **Article - Transportation**

15 13-809.

16 (a) (1) In this section the following words have the meanings indicated.

17 (2) "Fair market value" means:

18 (i) As to the sale of any new or used vehicle by a licensed dealer,  
19 the total purchase price, as certified by the dealer;

20 (ii) As to a used vehicle that is sold by any person other than a  
21 licensed dealer and that has a designated model year that is 7 years old or older, the  
22 greater of:

23 1. The total purchase price; or

24 2. \$640;

1 (iii) As to any other used vehicle that is sold by any person other  
2 than a licensed dealer:

3 1. The total purchase price, if the total purchase price is less  
4 than \$500 below the retail value of the vehicle as shown in a national publication of  
5 used car values adopted for use by the Department; or

6 2. If the total purchase price is \$500 or more below the retail  
7 value of the vehicle as shown in a national publication of used car values adopted for  
8 use by the Department:

9 A. The total purchase price, if verified to the satisfaction of  
10 the Administration by a notarized bill of sale submitted in accordance with subsection  
11 (d)(2) of this section; or

12 B. The valuation shown in the national publication of used  
13 car values, if the Administration finds that the documentation submitted under  
14 subsection (d)(2) of this section fails to verify the total purchase price; and

15 (iv) In any other case, the valuation shown in a national publication  
16 of used car values adopted for use by the Department.

17 (3) (I) "Total purchase price" means the price of a vehicle agreed on by  
18 the buyer and the seller, [with no] LESS AN allowance for trade-in [or]  
19 CONSIDERATION AS PROVIDED IN SUBPARAGRAPH (II) OF THIS PARAGRAPH BUT  
20 WITH NO ALLOWANCE FOR other nonmonetary consideration.

21 (II) THE TOTAL PURCHASE PRICE SHALL BE REDUCED BY AN  
22 ALLOWANCE FOR TRADE-IN CONSIDERATION AS FOLLOWS:

23 1. FOR THE FISCAL YEAR THAT BEGINS JULY 1, 2001, THE  
24 TOTAL PURCHASE PRICE SHALL BE REDUCED BY 20% OF ANY TRADE-IN  
25 CONSIDERATION;

26 2. FOR THE FISCAL YEAR THAT BEGINS JULY 1, 2002, THE  
27 TOTAL PURCHASE PRICE SHALL BE REDUCED BY 40% OF ANY TRADE-IN  
28 CONSIDERATION;

29 3. FOR THE FISCAL YEAR THAT BEGINS JULY 1, 2003, THE  
30 TOTAL PURCHASE PRICE SHALL BE REDUCED BY 60% OF ANY TRADE-IN  
31 CONSIDERATION;

32 4. FOR THE FISCAL YEAR THAT BEGINS JULY 1, 2004, THE  
33 TOTAL PURCHASE PRICE SHALL BE REDUCED BY 80% OF ANY TRADE-IN  
34 CONSIDERATION; AND

35 5. FOR FISCAL YEARS BEGINNING ON OR AFTER JULY 1, 2005,  
36 THE TOTAL PURCHASE PRICE SHALL BE REDUCED BY 100% OF ANY TRADE-IN  
37 CONSIDERATION.

1 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
2 July 1, 2001.