
By: **Senator Roesser**
Introduced and read first time: February 3, 2000
Assigned to: Budget and Taxation

Committee Report: Favorable with amendments
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CHAPTER _____

1 AN ACT concerning

2 **Motor Vehicle Titling Tax and Inspection Certificate Requirements -**
3 **Transfer to an Inter Vivos Trust Exemptions**

4 FOR the purpose of exempting from the motor vehicle excise tax and inspection
5 certificate requirements the transfer of a vehicle titled in this State that is
6 transferred into certain written inter vivos trusts; exempting from the motor
7 vehicle excise tax and inspection certificate requirements the transfer of a
8 vehicle titled in this State that is transferred as a result of certain mergers or
9 consolidations of certain entities; and providing for the application of this Act.

10 BY repealing and reenacting, without amendments,
11 Article - Transportation
12 Section 13-503.2
13 Annotated Code of Maryland
14 (1999 Replacement Volume and 1999 Supplement)

15 BY repealing and reenacting, with amendments,
16 Article - Transportation
17 Section 13-810(c) and 23-106
18 Annotated Code of Maryland
19 (1999 Replacement Volume and 1999 Supplement)

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

1

Article - Transportation2 13-503.2.

3 If the title or interest of an owner in a vehicle is transferred as a result of a
4 reorganization such that the vehicle is exempt from the excise tax under the
5 provisions of § 13-810(c)(8) of this title, the transferee may continue to use the same
6 registration plates after the transfer. In all other respects the transfer shall be
7 treated the same way as any other transfer by a private owner of a registered vehicle.
8 13-810.

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

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

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

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

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

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

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

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

37 (8) A vehicle transferred as a result of a reorganization within the
38 meaning of § 368(a) of the Internal Revenue Code OR A VEHICLE TRANSFERRED AS A

1 RESULT OF A TAX EXEMPT STATUTORY MERGER OR CONSOLIDATION OF A
 2 CORPORATION AND A LIMITED LIABILITY COMPANY; [or]

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

7 (10) A VEHICLE TRANSFERRED INTO A WRITTEN INTER VIVOS TRUST IN
 8 WHICH THE TRANSFEROR IS THE PRIMARY BENEFICIARY.

9 23-106.

10 (a) This section does not apply to:

11 (1) Any transfer of a used vehicle to any licensed dealer or to any foreign
 12 dealer;

13 (2) Any transfer between:

14 (i) Spouses;

15 (ii) A parent and child; or

16 (iii) Co-owners of the vehicle to be transferred when a co-owner's
 17 name is being removed from the title;

18 (3) Any transfer of a used vehicle that is not to be both titled and
 19 registered in this State;

20 (4) Any transfer of a used vehicle among any agencies of the State; [or]

21 (5) Any transfer of a used vehicle as described in § 13-503.2 of this
 22 article; OR

23 (6) ANY TRANSFER OF A USED VEHICLE INTO A WRITTEN INTER VIVOS
 24 TRUST IN WHICH THE TRANSFEROR IS THE PRIMARY BENEFICIARY.

25 (b) (1) Except as provided in paragraph (4) of this subsection, if any licensed
 26 dealer that also is an inspection station transfers any used vehicle, it shall:

27 (i) Prepare and attach an inspection certificate to a window of the
 28 vehicle; or

29 (ii) Have an inspection certificate prepared and attached to a
 30 window of the vehicle by another inspection station.

31 (2) Except as provided in paragraphs (4) and (5) of this subsection, if any
 32 other person transfers a used vehicle, the person shall obtain an inspection certificate
 33 from an inspection station. The inspection certificate shall be issued without charge
 34 and attached to a window of the vehicle.

1 (3) If a used vehicle is transferred other than by voluntary transfer or is
2 transferred by a political subdivision of the State after that subdivision obtains the
3 vehicle by proceedings pursuant to Article 27, § 297 of the Code, the transferee shall
4 obtain the inspection certificate from an authorized inspection station. The inspection
5 certificate shall be issued without charge and attached to a window of the vehicle.

6 (4) In the case of a transfer of any used vehicle registered, or to be
7 registered, as a Class E (truck) exceeding three-fourths ton manufacturer's rated
8 capacity, Class F (tractor), Class G (freight trailer or semitrailer), or Class G (dump
9 service semitrailer) vehicle, the transferor or the transferee of the vehicle may obtain
10 the required inspection certificate.

11 (5) In the case of a transfer of any used vehicle registered or to be
12 registered, that is sold for dismantling or rebuilding purposes, the transferor or the
13 transferee of the vehicle may obtain the required inspection certificate.

14 (6) On applying for a certificate of title of the vehicle, the transferee shall
15 remove the inspection certificate from the vehicle and present it to the
16 Administration.

17 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
18 July 1, 2000 and shall be applicable to any vehicle transferred on or after July 1,
19 2000.