

Department of Legislative Services  
 Maryland General Assembly  
 2004 Session

FISCAL AND POLICY NOTE

House Bill 228  
 Ways and Means

(Delegate Mitchell)

Budget and Taxation

Motor Fuel Tax - Refunds - Concrete Pump Trucks

This bill extends to concrete pump trucks an existing motor fuel tax refund provision applicable to concrete mixing motor vehicles. Concrete pump trucks could claim a motor fuel tax refund of up to 35% of motor fuel tax paid.

The bill takes effect July 1, 2004.

Fiscal Summary

**State Effect:** State motor fuel tax revenues to the Transportation Trust Fund (TTF) could decline by approximately \$48,600 annually, revenues to two small natural resources special fund programs would decline by \$300, and general fund revenues would decline by \$1,200. Future revenues assume constant usage of the refund. Expenditures would not be affected.

(in dollars)	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
GF Revenue	(\$1,200)	(\$1,200)	(\$1,200)	(\$1,200)	(\$1,200)
SF Revenue	(48,900)	(48,900)	(48,900)	(48,900)	(48,900)
Expenditure	\$0	\$0	\$0	\$0	\$0
Net Effect	(\$50,100)	(\$50,100)	(\$50,100)	(\$50,100)	(\$50,100)

*Note:() = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate effect*

**Local Effect:** Based on the statutory distribution of the TTF revenues from motor fuel taxes, local highway user revenue grants would decline by approximately \$14,600.

**Small Business Effect:** Minimal. See discussion below.

## Analysis

**Current Law:** Concrete mixing vehicles are eligible for refunding of up to 35% of motor fuel taxes paid.

**State Revenues:** Refunds for concrete mixer trucks totaled: \$511,916 in fiscal 2003; \$270,773 in fiscal 2002; and \$251,108 in fiscal 2001. There are significantly fewer pump trucks than mixer trucks. (Pump trucks are used to carry concrete from the mixer truck when it is necessary to pour concrete in a place a mixer truck cannot reach.) If pump trucks consume about 10% of the motor fuel that mixer trucks consume, the revenue loss would be about \$50,000 annually.

Assuming a \$50,000 annual decline in motor fuel taxes and based on the current statutory distribution formula, TTF revenues would decline by approximately \$48,550. In addition, two natural resources special funds (the Waterway Improvement Fund and the Fisheries Research and Development Fund) that receive small distributions would each experience declines of approximately \$150 each. Finally, a distribution to the general fund for Chesapeake Bay related programs would lose \$1,150 annually.

**Local Revenues:** Local governments receive 30% of the motor fuel tax revenues collected under the Gasoline and Motor Vehicle Revenue Account of the TTF. Local highway user grants would decline by approximately \$14,600.

**Small Business Effect:** According to the 1997 Economic Census, there are 592 concrete contractors in the State with an average of 12.75 employees. Assuming 25% of these contractors have concrete pump trucks, they would receive motor fuel refunds averaging approximately \$350 per year.

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## Additional Information

**Prior Introductions:** None.

**Cross File:** None.

**Information Source(s):** Comptroller's Office, Maryland Department of Transportation, Department of Legislative Services

**Fiscal Note History:** First Reader - February 5, 2004  
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