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By: **Delegate Moe**

Rules suspended

Introduced and read first time: March 17, 2005

Assigned to: Rules and Executive Nominations

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A BILL ENTITLED

1 AN ACT concerning

2 **Motor Fuel Tax - Rates**

3 FOR the purpose of altering certain motor fuel tax rates for certain fiscal years;  
4 providing that the reduction in motor fuel tax rates required under this Act do  
5 not apply until certain bonds are no longer outstanding and unpaid under  
6 certain circumstances; and generally relating to the motor fuel tax.

7 BY repealing and reenacting, with amendments,  
8 Article - Tax - General  
9 Section 9-305  
10 Annotated Code of Maryland  
11 (2004 Replacement Volume)

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

14 **Article - Tax - General**

15 9-305.

16 (A) [The] FOR THE FISCAL YEAR BEGINNING JULY 1, 2005, THE motor fuel tax  
17 rate is:

18 (1) 7 cents for each gallon of aviation gasoline;

19 (2) [23.5] 18.5 cents for each gallon of gasoline other than aviation  
20 gasoline;

21 (3) [24.25] 19.25 cents for each gallon of special fuel other than  
22 clean-burning fuel or turbine fuel;

23 (4) 7 cents for each gallon of turbine fuel; and

24 (5) [23.5] 18.5 cents for each gasoline-equivalent gallon of  
25 clean-burning fuel except electricity.

1 (B) FOR THE FISCAL YEAR BEGINNING JULY 1, 2006, THE MOTOR FUEL TAX  
2 RATE IS:

3 (1) 7 CENTS FOR EACH GALLON OF AVIATION GASOLINE;

4 (2) 20.5 CENTS FOR EACH GALLON OF GASOLINE OTHER THAN AVIATION  
5 GASOLINE;

6 (3) 21.25 CENTS FOR EACH GALLON OF SPECIAL FUEL OTHER THAN  
7 CLEAN-BURNING FUEL OR TURBINE FUEL;

8 (4) 7 CENTS FOR EACH GALLON OF TURBINE FUEL; AND

9 (5) 20.5 CENTS FOR EACH GASOLINE-EQUIVALENT GALLON OF  
10 CLEAN-BURNING FUEL EXCEPT ELECTRICITY.

11 (C) FOR THE FISCAL YEAR BEGINNING JULY 1, 2007 AND EACH FISCAL YEAR  
12 THEREAFTER, THE MOTOR FUEL TAX RATE IS:

13 (1) 7 CENTS FOR EACH GALLON OF AVIATION GASOLINE;

14 (2) 23.5 CENTS FOR EACH GALLON OF GASOLINE OTHER THAN AVIATION  
15 GASOLINE;

16 (3) 24.25 CENTS FOR EACH GALLON OF SPECIAL FUEL OTHER THAN  
17 CLEAN-BURNING FUEL OR TURBINE FUEL;

18 (4) 7 CENTS FOR EACH GALLON OF TURBINE FUEL; AND

19 (5) 23.5 CENTS FOR EACH GASOLINE-EQUIVALENT GALLON OF  
20 CLEAN-BURNING FUEL EXCEPT ELECTRICITY.

21 SECTION 2. AND BE IT FURTHER ENACTED, That, notwithstanding the  
22 provisions of Section 1 of this Act, the reduction in motor fuel tax rates required under  
23 § 9-305(a) of the Tax - General Article as enacted under Section 1 of this Act do not  
24 apply until any Consolidated Transportation Bonds that were issued by the  
25 Department of Transportation before July 1, 2005 no longer remain outstanding and  
26 unpaid; provided however, that in any fiscal year for which funds are appropriated by  
27 the General Assembly to pay the principal of and interest on the Department of  
28 Transportation's Consolidated Transportation Bonds due and payable in that fiscal  
29 year, the reduction in motor fuel tax rates enacted under Section 1 of this Act shall  
30 take effect.

31 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect  
32 July 1, 2005.