

(PRE-FILED)

By: **Senator Pipkin**
Requested: October 11, 2005
Introduced and read first time: January 11, 2006
Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **Motor Fuel Tax - Exemption for Biodiesel Fuel - Queen Anne's County**

3 FOR the purpose of exempting biodiesel fuel purchased for use in Queen Anne's
4 County government vehicles and school buses from the State motor fuel tax;
5 providing for the termination of this Act; and generally relating to motor fuel tax
6 exemptions for biodiesel fuel.

7 BY repealing and reenacting, with amendments,
8 Article - Tax - General
9 Section 9-303
10 Annotated Code of Maryland
11 (2004 Replacement Volume and 2005 Supplement)

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 9-303.

16 (a) The motor fuel tax does not apply to motor fuel that is exported or sold for
17 exportation from this State.

18 (b) The motor fuel tax does not apply to special fuel:

19 (1) containing dye and sold for uses other than in a licensed motor
20 vehicle;

21 (2) delivered into a tank used only for heating; or

22 (3) used for any purpose other than propelling a motor vehicle or
23 turbine-powered aircraft.

24 (c) The motor fuel tax does not apply to aviation fuel that is bought for use by:

1 (1) a carrier engaged in the common carriage of individuals or property
2 under Parts 121, 127, and 129 of the Federal Aviation Regulations;

3 (2) an operator under Part 135 of the Federal Aviation Regulations if at
4 least 70% of the aviation fuel is used in the common carriage of individuals or
5 property;

6 (3) the State;

7 (4) a political subdivision of the State;

8 (5) a unit or instrumentality of the United States government; or

9 (6) a foreign government.

10 (d) The motor fuel tax does not apply to motor fuel that is bought by the
11 Department of General Services for use by State agencies.

12 (E) THE MOTOR FUEL TAX DOES NOT APPLY TO BIODIESEL FUEL THAT IS
13 BOUGHT FOR USE IN QUEEN ANNE'S COUNTY GOVERNMENT VEHICLES AND SCHOOL
14 BUSES.

15 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
16 July 1, 2006. It shall remain effective for a period of 3 years and, at the end of June
17 30, 2009, with no further action required by the General Assembly, this Act shall be
18 abrogated and of no further force and effect.