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By: **Chairman, Budget and Taxation Committee (By Request -  
Departmental - Natural Resources)**

Introduced and read first time: January 26, 2006

Rules suspended

Assigned to: Budget and Taxation

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A BILL ENTITLED

1 AN ACT concerning

2 **Vessel Excise Tax - Exemption - Vessels Taken Out of State**

3 FOR the purpose of providing an exemption from the vessel excise tax for certain  
4 vessels purchased in this State under certain conditions; and generally relating  
5 to the assessment of the vessel excise tax.

6 BY repealing and reenacting, with amendments,  
7 Article - Natural Resources  
8 Section 8-716(e)  
9 Annotated Code of Maryland  
10 (2000 Replacement Volume and 2005 Supplement)

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

13 **Article - Natural Resources**

14 8-716.

15 (e) A person is not required to pay the tax provided for in subsection (c) of this  
16 section resulting from:

17 (1) A transfer between members of the immediate family as determined  
18 by Department regulations;

19 (2) A transfer to a licensed dealer of a vessel for resale, rental, or leasing  
20 purposes;

21 (3) The holding of a vessel that is titled or numbered in another state or  
22 is federally documented, provided:

23 (i) The vessel is held for resale or listed for resale by a licensed  
24 dealer; and

1 (ii) The vessel owner signs an affidavit that there will be no use of  
2 the vessel on the waters of the State other than for a sea trial;

3 (4) Purchase of a vessel by the State or any political subdivision;

4 (5) Purchase of a vessel by an eleemosynary organization which the  
5 Secretary has approved;

6 (6) The purchase within the State of a vessel if the owner paid or  
7 incurred a liability for the Maryland sales and use tax on the vessel prior to July 1,  
8 1986;

9 (7) The possession within the State of a vessel which was purchased  
10 outside the State if the owner paid or incurred a liability for the Maryland use tax on  
11 the vessel prior to July 1, 1986;

12 (8) The possession of a vessel in the State that is not used or to be used  
13 principally on the waters of the State and for which the issuance of a title is not  
14 sought or required under this subtitle, except that:

15 (i) A vessel is not deemed used on the waters of the State if the  
16 vessel is used for 90 days or less of a calendar year; and

17 (ii) If a vessel is used for more days than 90 days in a calendar year,  
18 the period of 90 days shall be counted in the determination of principal use under this  
19 subtitle;

20 (9) The possession within the State of a vessel if the current owner,  
21 before July 1, 1986:

22 (i) 1. Was licensed by the Department to catch, for commercial  
23 purposes, finfish, eels, crabs, conch, terrapin, soft-shell clams, hard-shell clams,  
24 oysters, or any other fish; and

25 2. Used the vessel for any of the commercial fishing purposes  
26 described in item 1 of this item; or

27 (ii) 1. Was licensed as a commercial fishing guide under the  
28 provisions of § 4-210 of this article; and

29 2. Used the vessel as a charter boat with a license as  
30 provided in § 4-745(d)(2) of this article; [or]

31 (10) The possession within the State of a vessel that:

32 (i) Is owned by a nonprofit organization that:

33 1. Is qualified as tax exempt under § 501(c)(4) of the Internal  
34 Revenue Code; and

