

# HOUSE BILL 47

Q5  
HB 1344/06 – W&M

71r0400

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By: **Delegates Hixson, Cardin, Doory, Gilchrist, Howard, Ivey, Kaiser, N. King, Krebs, Olszewski, Rice, Stukes, and F. Turner**

Introduced and read first time: January 19, 2007

Assigned to: Ways and Means

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## A BILL ENTITLED

1 AN ACT concerning

2 **Motor Fuel Tax – Exemption for Biodiesel Fuel – Government Vehicles**

3 FOR the purpose of exempting certain biodiesel fuel purchased for use in certain  
4 government vehicles from a certain percentage of the State motor fuel tax;  
5 requiring the Comptroller to adopt certain regulations; providing for the  
6 termination of this Act; and generally relating to motor fuel tax exemptions for  
7 biodiesel fuel.

8 BY repealing and reenacting, with amendments,  
9 Article – Tax – General  
10 Section 9–303  
11 Annotated Code of Maryland  
12 (2004 Replacement Volume and 2006 Supplement)

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

15 **Article – Tax – General**

16 9–303.

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

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

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



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

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

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

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

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

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

13 (3) the State;

14 (4) a political subdivision of the State;

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

16 (6) a foreign government.

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

19 (E) (1) **THE MOTOR FUEL TAX FOR BIODIESEL FUEL WITH A BLEND**  
20 **OF 20% (B20) OR ABOVE THAT IS BOUGHT FOR USE IN COUNTY OR MUNICIPAL**  
21 **GOVERNMENT VEHICLES, INCLUDING SCHOOL BUSES AND PASSENGER BUSES,**  
22 **SHALL BE 50% OF THE MOTOR FUEL TAX SPECIFIED IN § 9-305(3) OF THIS**  
23 **SUBTITLE.**

24 (2) **THE COMPTROLLER SHALL ADOPT REGULATIONS TO**  
25 **IMPLEMENT AND ADMINISTER THIS SUBSECTION.**

26 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
27 July 1, 2007. It shall remain effective for a period of 3 years and, at the end of June 30,

1 2010, with no further action required by the General Assembly, this Act shall be  
2 abrogated and of no further force and effect.