

HOUSE BILL 47

Q5
HB 1344/06 – W&M

71r0400

By: **Delegates Hixson, Cardin, Doory, Gilchrist, Howard, Ivey, Kaiser, N. King, Krebs, Olszewski, Rice, Stukes, ~~and F. Turner~~ F. Turner, Bartlett, Barve, Elmore, George, Manno, McKee, Murphy, Ross, and Walker**

Introduced and read first time: January 19, 2007
Assigned to: Ways and Means

Committee Report: Favorable with amendments
House action: Adopted
Read second time: March 17, 2007

CHAPTER _____

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~~ percentages of the State motor
5 fuel tax in certain fiscal years; requiring the Comptroller to adopt certain
6 regulations; providing for the termination of this Act; and generally relating to
7 motor fuel tax exemptions for 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**

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1 9-303.

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

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

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

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

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

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

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

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

17 (3) the State;

18 (4) a political subdivision of the State;

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

20 (6) a foreign government.

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

23 (E) (1) **THE MOTOR FUEL TAX FOR BIODIESEL FUEL WITH A BLEND**
24 **OF 20% (B20) OR ABOVE THAT IS BOUGHT FOR USE IN ~~COUNTY OR MUNICIPAL~~**
25 **~~GOVERNMENT VEHICLES, INCLUDING SCHOOL BUSES AND PASSENGER BUSES, A~~**
26 **MOTOR VEHICLE LISTED UNDER PARAGRAPH (2) OF THIS SUBSECTION SHALL**
27 **BE 50% EQUAL TO THE FOLLOWING PERCENTAGES OF THE MOTOR FUEL TAX**
28 **SPECIFIED IN § 9-305(3) OF THIS SUBTITLE:**

1 **(I) IN FISCAL YEAR 2008, 50%;**

2 **(II) IN FISCAL YEAR 2009, 40%; AND**

3 **(III) IN FISCAL YEAR 2010, 30%.**

4 **(2) THE PROVISIONS OF PARAGRAPH (1) OF THIS SUBSECTION**
5 **SHALL APPLY TO:**

6 **(I) A COUNTY OR MUNICIPAL GOVERNMENT VEHICLE,**
7 **INCLUDING A SCHOOL BUS OR PASSENGER BUS; AND**

8 **(II) A PRIVATELY OWNED BUS USED TO TRANSPORT**
9 **STUDENTS TO AND FROM SCHOOL UNDER A CONTRACT WITH A COUNTY OR**
10 **MUNICIPAL CORPORATION.**

11 **(3) THE COMPTROLLER SHALL ADOPT REGULATIONS TO**
12 **IMPLEMENT AND ADMINISTER THIS SUBSECTION.**

13 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
14 July 1, 2007. It shall remain effective for a period of 3 years and, at the end of June 30,
15 2010, with no further action required by the General Assembly, this Act shall be
16 abrogated and of no further force and effect.

Approved:

Governor.

Speaker of the House of Delegates.

President of the Senate.