

SENATE BILL 949

Q5

71r1929

By: **Senator Miller**

Introduced and read first time: February 28, 2007

Assigned to: Rules

A BILL ENTITLED

1 AN ACT concerning

2 **Transportation Funding Act of 2007**

3 FOR the purpose of altering the motor fuel tax rates for certain motor fuel; providing
4 for certain increases in the motor fuel tax rates for certain motor fuel for certain
5 periods under certain circumstances; requiring the Comptroller to make certain
6 determinations regarding the average wholesale price per gallon of motor fuel
7 for certain periods; providing for the payment of certain taxes on certain
8 tax-paid motor fuel held as of certain dates; and generally relating to the motor
9 fuel tax.

10 BY repealing and reenacting, with amendments,
11 Article – Tax – General
12 Section 9–305
13 Annotated Code of Maryland
14 (2004 Replacement Volume and 2006 Supplement)

15 BY adding to
16 Article – Tax – General
17 Section 9–306
18 Annotated Code of Maryland
19 (2004 Replacement Volume and 2006 Supplement)

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

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



Article - Tax - General

9-305.

(A) [The] **SUBJECT TO SUBSECTION (B) OF THIS SECTION, THE** motor fuel tax rate is:

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

(2) [23.5] **35.5** cents for each gallon of gasoline other than aviation gasoline;

(3) [24.25] **36.25** cents for each gallon of special fuel other than clean-burning fuel or turbine fuel;

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

(5) [23.5] **35.5** cents for each gasoline-equivalent gallon of clean-burning fuel except electricity.

(B) (1) (I) **THIS SUBSECTION APPLIES IF THE MOST RECENT SEMIANNUAL AVERAGE WHOLESALE PRICE PER GALLON OF MOTOR FUEL AS DETERMINED BY THE COMPTROLLER UNDER § 9-306 OF THIS SUBTITLE EXCEEDS \$1.50.**

(II) **AN INCREASE IN THE MOTOR FUEL TAX RATE UNDER THIS SUBSECTION SHALL BE EFFECTIVE FOR A 6-MONTH PERIOD BEGINNING ON:**

1. **JULY 1 FOR AN APRIL 15 DETERMINATION UNDER § 9-306 OF THIS SUBTITLE; OR**

2. **JANUARY 1 FOR AN OCTOBER 15 DETERMINATION UNDER § 9-306 OF THIS SUBTITLE.**

(2) **FOR ANY PERIOD AS TO WHICH THIS SUBSECTION APPLIES, SUBJECT TO THE LIMITATIONS UNDER PARAGRAPH (3) OF THIS SUBSECTION, EACH OF THE MOTOR FUEL TAX RATES SPECIFIED IN SUBSECTION (A)(2), (3), AND (5) OF THIS SECTION FOR MOTOR FUEL OTHER THAN AVIATION GASOLINE OR TURBINE FUEL SHALL BE INCREASED BY THE AMOUNT, ROUNDED TO THE**

1 NEAREST HALF CENT, THAT EQUALS 4% OF THE AMOUNT BY WHICH THE
2 AVERAGE WHOLESALE PRICE PER GALLON OF MOTOR FUEL AS DETERMINED BY
3 THE COMPTROLLER UNDER § 9-306 OF THIS SUBTITLE EXCEEDS \$1.50.

4 (3) (I) FOR ANY FISCAL YEAR, THE MOTOR FUEL TAX RATES
5 MAY NOT BE INCREASED BY MORE THAN 1 CENT PER GALLON OVER THE RATES
6 IN EFFECT ON JUNE 30 OF THE PRECEDING FISCAL YEAR.

7 (II) FOR ANY PERIOD, THE MOTOR FUEL TAX RATE MAY NOT
8 EXCEED:

9 1. 39.5 CENTS FOR EACH GALLON OF GASOLINE
10 OTHER THAN AVIATION GASOLINE;

11 2. 40.25 CENTS FOR EACH GALLON OF SPECIAL FUEL
12 OTHER THAN CLEAN-BURNING FUEL OR TURBINE FUEL; AND

13 3. 39.5 CENTS FOR EACH GASOLINE-EQUIVALENT
14 GALLON OF CLEAN-BURNING FUEL EXCEPT ELECTRICITY.

15 (4) THE COMPTROLLER SHALL REQUIRE ANY PERSON
16 POSSESSING TAX-PAID MOTOR FUEL FOR SALE AT THE START OF BUSINESS ON
17 THE DATE OF ANY SEMIANNUAL INCREASE IN THE MOTOR FUEL TAX UNDER
18 THIS SUBSECTION TO COMPILE AND FILE AN INVENTORY OF THE MOTOR FUEL
19 HELD AT THE CLOSE OF BUSINESS ON THE PRECEDING DATE AND REMIT WITHIN
20 30 DAYS ANY ADDITIONAL MOTOR FUEL TAX THAT IS DUE ON THE MOTOR FUEL.

21 9-306.

22 (A) SEMIANNUALLY, THE COMPTROLLER SHALL DETERMINE THE
23 AVERAGE WHOLESALE PRICE PER GALLON OF MOTOR FUEL PURCHASED IN THE
24 STATE BY USING GENERALLY RECOGNIZED AND RELIABLE SOURCES OF
25 INFORMATION.

26 (B) (1) ON OR BEFORE OCTOBER 15 OF EACH FISCAL YEAR, THE
27 COMPTROLLER SHALL DETERMINE AND ANNOUNCE THE 6-MONTH AVERAGE
28 WHOLESALE PRICE PER GALLON OF NONPREMIUM UNLEADED MOTOR FUEL
29 PURCHASED IN THE STATE BASED ON PRICES REPORTED DURING THE
30 PRECEDING APRIL THROUGH SEPTEMBER.

1 **(2) ON OR BEFORE APRIL 15 OF EACH FISCAL YEAR, THE**
2 **COMPTROLLER SHALL DETERMINE AND ANNOUNCE THE 6-MONTH AVERAGE**
3 **WHOLESALE PRICE PER GALLON OF NONPREMIUM UNLEADED MOTOR FUEL**
4 **PURCHASED IN THE STATE BASED ON PRICES REPORTED DURING THE**
5 **PRECEDING OCTOBER THROUGH MARCH.**

6 SECTION 2. AND BE IT FURTHER ENACTED, That each person holding
7 tax-paid motor fuel for sale at the start of business on July 1, 2007, shall compile and
8 file an inventory of the motor fuel held at the close of business on June 30, 2007, and
9 remit within 30 days any additional motor fuel tax that is due on the motor fuel.

10 SECTION 3. AND BE IT FURTHER ENACTED, That, notwithstanding the
11 provisions of § 9-305(b)(3)(i) of the Tax – General Article, for the period beginning
12 January 1, 2008, the motor fuel tax rates may be increased, in accordance with the
13 provisions of § 9-305(b) of the Tax – General Article, by up to one cent per gallon over
14 the rates specified in § 9-305(a) of the Tax – General Article as enacted by Section 1 of
15 this Act.

16 SECTION 4. AND BE IT FURTHER ENACTED, That this Act shall take effect
17 July 1, 2007.