

HOUSE BILL 5

Q5

8lr0264
CF SB 5

By: **The Speaker (By Request - Administration)**

Introduced and read first time: October 29, 2007

Assigned to: Ways and Means and Appropriations

Committee Report: Favorable with amendments

House action: Adopted with floor amendments

Read second time: November 3, 2007

CHAPTER _____

1 AN ACT concerning

2 **Transportation and State Investment Act**

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 and announcements; providing for the payment of certain taxes~~
7 ~~on certain tax-paid motor fuel held as of certain dates; increasing the maximum~~
8 ~~allowable aggregate amount of outstanding and unpaid consolidated~~
9 ~~transportation bonds and bonds of prior issues; altering the tobacco tax rate for~~
10 ~~cigarettes; altering the maximum rate of the admissions and amusement tax~~
11 ~~that a county or municipal corporation may set for gross receipts that are also~~
12 ~~subject to the State sales and use tax; altering the rate of the sales and use tax;~~
13 ~~altering the sales and use tax rate for the sale of a right to occupy a room or~~
14 ~~lodgings as a transient guest; altering the percentage of gross receipts from~~
15 ~~vending machine sales to which the sales and use tax rate applies; repealing a~~
16 ~~prohibition against certain advertisements or statements by vendors regarding~~
17 ~~the payment of the sales and use tax; authorizing vendors to assume or absorb~~
18 ~~all or any part of the sales and use tax imposed on a retail sale or use and to pay~~
19 ~~that sales and use tax on behalf of the buyer; altering the calculation of a~~
20 ~~certain credit relating to collecting and paying the sales and use tax; altering~~
21 ~~the definition of "taxable service" under the sales and use tax to impose the tax~~
22 ~~on certain services; designating a certain period each year to be a tax-free~~
23 ~~period during which an exemption from the sales and use tax is provided for the~~
24 ~~sale of certain appliances and products that meet or exceed certain applicable~~
25 ~~energy efficiency guidelines and certain solar water heaters; designating a~~
26 ~~certain period each year to be a tax-free period during which a certain sales and~~

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.



HOUSE BILL 5

1 use tax exemption for the sale of certain clothing or footwear is provided;
 2 providing for the distribution of certain sales and use tax revenues to the
 3 Transportation Trust Fund; providing for the pledging of certain revenues for
 4 certain purposes; altering the definition of “total purchase price” for purposes of
 5 the vehicle excise tax to exclude from the computation of the tax, subject to a
 6 certain limitation, half the value of a vehicle traded in as part of the
 7 consideration for the sale of a vehicle; establishing a Chesapeake Bay 2010
 8 Trust Fund in the Department of Natural Resources as a special fund to be used
 9 for certain purposes; providing for the distribution of certain transportation tax
 10 revenues to the Fund; establishing a certain special fund to be used to support
 11 tourism, the arts, and other cultural activities; altering the vehicle excise tax
 12 rate for certain motor vehicles, trailers, and semitrailers; altering the
 13 distribution of the revenue collected from the sales and use tax on short-term
 14 vehicle rentals; ~~altering the distribution of the income tax revenue from~~
 15 ~~corporations;~~ altering the distribution of revenue collected from the motor fuel
 16 tax; altering the distribution of certain moneys received under the Maryland
 17 Vehicle Law; altering the distribution of revenue collected from certain special
 18 license tag fees; altering the distribution of revenue collected from certain
 19 security interest filing fees; requiring the Governor to include certain
 20 appropriations in the budget bill for each fiscal year; ~~defining a certain term;~~
 21 providing for the distribution of certain sales and use tax revenue collected for a
 22 certain period to a certain special fund; repealing ~~an~~ certain obsolete ~~provision~~
 23 provisions of law; stating the intent of the General Assembly that the Maryland
 24 Department of Transportation provide a certain report to certain committees
 25 and that certain revenues not be included in certain fiscal years budgets until a
 26 certain time; requiring the Comptroller to adopt regulations to exempt from a
 27 certain rate increase certain sales related to contracts entered into prior to a
 28 certain date; providing for the application of the tobacco tax to certain
 29 cigarettes; making a provision of this Act subject to a certain contingency;
 30 providing for the application of certain provisions of this Act; providing for the
 31 effective date of this Act; and generally relating to tax revenues and
 32 transportation financing and revenues to be collected and distributed to the
 33 Transportation Trust Fund.

34 BY repealing and reenacting, with amendments,

35 Article – Tax – General

36 Section ~~9-305, 2-1104, 2-1302.2, 2-1303,~~ 4-105(b), ~~11-101(m),~~ 11-104(a) and
 37 (b), 11-105, 11-226, 11-228, 11-301, 11-302, 11-402, 11-601(b)(1), and

38 12-105(a)

39 Annotated Code of Maryland

40 (2004 Replacement Volume and 2007 Supplement)

41 BY repealing and reenacting, ~~with~~ without amendments,

42 Article – Transportation

43 Section 3-202

44 Annotated Code of Maryland

45 (2001 Replacement Volume and 2007 Supplement)

- 1 BY repealing and reenacting, with amendments,
2 Article – Transportation
3 Section ~~13–809(e)(1)~~ 3–215 and 13–809(a)(3) and (c)(1)
4 Annotated Code of Maryland
5 (2006 Replacement Volume and 2007 Supplement)
- 6 BY repealing and reenacting, without amendments,
7 Article – Transportation
8 Section 13–809(b)(1)
9 Annotated Code of Maryland
10 (2006 Replacement Volume and 2007 Supplement)
- 11 BY adding to
12 Article 24 – Political Subdivisions – Miscellaneous Provisions
13 Section 9–1104
14 Annotated Code of Maryland
15 (2005 Replacement Volume and 2007 Supplement)
- 16 ~~BY adding to~~
17 ~~Article – Environment~~
18 ~~Section 9–1605.3~~
19 ~~Annotated Code of Maryland~~
20 ~~(2007 Replacement Volume and 2007 Supplement)~~
- 21 BY adding to
22 Article – Natural Resources
23 Section ~~4–209(k) and 8–205~~
24 Annotated Code of Maryland
25 (2005 Replacement Volume and 2007 Supplement)
- 26 BY adding to
27 Article – Natural Resources
28 Section 8–205 and 8–707(d)
29 Annotated Code of Maryland
30 (2007 Replacement Volume)
- 31 BY repealing
32 Article – State Finance and Procurement
33 Section 7–313
34 Annotated Code of Maryland
35 (2006 Replacement Volume and 2007 Supplement)
- 36 BY adding to
37 Article – State Finance and Procurement
38 Section 7–328
39 Annotated Code of Maryland
40 (2006 Replacement Volume and 2007 Supplement)

1 BY adding to
 2 Article – Tax – General
 3 Section 2-1302.2, ~~11-101(e-1)~~, and 11-104(g)
 4 Annotated Code of Maryland
 5 (2004 Replacement Volume and 2007 Supplement)

6 BY repealing and reenacting, with amendments,
 7 Article – Tax – General
 8 ~~Section 2-614, 2-1103, and 2-1302.1~~
 9 Section 2-1104, 2-1302.1, and 2-1303
 10 Annotated Code of Maryland
 11 (2004 Replacement Volume and 2007 Supplement)

12 ~~BY repealing~~
 13 ~~Article – Tax – General~~
 14 ~~Section 2-1102 and 2-1104~~
 15 ~~Annotated Code of Maryland~~
 16 ~~(2004 Replacement Volume and 2007 Supplement)~~

17 BY repealing and reenacting, without amendments,
 18 Article – Transportation
 19 Section 8-402
 20 Annotated Code of Maryland
 21 (2001 Replacement Volume and 2007 Supplement)

22 ~~BY repealing and reenacting, without amendments,~~
 23 ~~Article – Transportation~~
 24 ~~Section 12-118(a)~~
 25 ~~Annotated Code of Maryland~~
 26 ~~(2006 Replacement Volume and 2007 Supplement)~~

27 BY repealing and reenacting, with amendments,
 28 Article – Transportation
 29 Section ~~12-118(b)~~ and 13-613(d)
 30 Annotated Code of Maryland
 31 (2006 Replacement Volume and 2007 Supplement)

32 BY repealing
 33 Article – Transportation
 34 Section 13-208 and 13-613(e)
 35 Annotated Code of Maryland
 36 (2006 Replacement Volume and 2007 Supplement)

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

39 **Article – Tax – General**

1 4-105.

2 (b) If gross receipts subject to the admissions and amusement tax are also
3 subject to the sales and use tax, a county or a municipal corporation may not set a rate
4 so that, when combined with the sales and use tax, the total tax rate will exceed [10%]
5 11% of the gross receipts.

6 11-104.

7 (a) Except as otherwise provided in this section, the sales and use tax rate is:

8 (1) for a taxable price of less than \$1:

9 (i) 1 cent if the taxable price is 20 cents; [and]

10 (ii) [1 cent for each additional 20 cents or part of 20 cents; and]
11 **2 CENTS IF THE TAXABLE PRICE IS AT LEAST 21 CENTS BUT LESS THAN 34**
12 **CENTS;**

13 (iii) **3 CENTS IF THE TAXABLE PRICE IS AT LEAST 34 CENTS**
14 **BUT LESS THAN 51 CENTS;**

15 (iv) **4 CENTS IF THE TAXABLE PRICE IS AT LEAST 51 CENTS**
16 **BUT LESS THAN 67 CENTS;**

17 (v) **5 CENTS IF THE TAXABLE PRICE IS AT LEAST 67 CENTS**
18 **BUT LESS THAN 84 CENTS; AND**

19 (vi) **6 CENTS IF THE TAXABLE PRICE IS AT LEAST 84 CENTS;**
20 **AND**

21 (2) for a taxable price of \$1 or more:

22 (i) [5] 6 cents for each exact dollar; and

23 (ii) [1 cent for each 20 cents or part of 20 cents] FOR THAT
24 **PART OF A DOLLAR in excess of an exact dollar:**

25 **1. 1 CENT IF THE EXCESS OVER AN EXACT DOLLAR IS**
26 **AT LEAST 1 CENT BUT LESS THAN 17 CENTS;**

27 **2. 2 CENTS IF THE EXCESS OVER AN EXACT DOLLAR**
28 **IS AT LEAST 17 CENTS BUT LESS THAN 34 CENTS;**

29 **3. 3 CENTS IF THE EXCESS OVER AN EXACT DOLLAR**
30 **IS AT LEAST 34 CENTS BUT LESS THAN 51 CENTS;**

1 **4. 4 CENTS IF THE EXCESS OVER AN EXACT DOLLAR**
 2 **IS AT LEAST 51 CENTS BUT LESS THAN 67 CENTS;**

3 **5. 5 CENTS IF THE EXCESS OVER AN EXACT DOLLAR**
 4 **IS AT LEAST 67 CENTS BUT LESS THAN 84 CENTS; AND**

5 **6. 6 CENTS IF THE EXCESS OVER AN EXACT DOLLAR**
 6 **IS AT LEAST 84 CENTS.**

7 (b) If a retail sale of tangible personal property or a taxable service is made
 8 through a vending or other self-service machine, the sales and use tax rate is [5%]
 9 **6%, applied to [95.25%] 94.5% of the gross receipts from the vending machine sales.**

10 **(G) THE SALES AND USE TAX RATE FOR THE SALE OF A RIGHT TO**
 11 **OCCUPY A ROOM OR LODGINGS AS A TRANSIENT GUEST IS:**

12 **(1) 10 CENTS FOR EACH EXACT DOLLAR OF TAXABLE PRICE; AND**

13 **(2) 1 CENT FOR EACH 10 CENTS OR PART OF 10 CENTS OF**
 14 **TAXABLE PRICE IN EXCESS OF AN EXACT DOLLAR 7.5% OF THE TAXABLE PRICE.**

15 11-105.

16 (a) (1) Except as provided in [subsections (b) and (c)] SUBSECTION (B) of
 17 this section, a vendor who timely files a sales and use tax return is allowed, for the
 18 expense of collecting and paying the tax, a credit equal to THE LESSER OF:

19 **(I) 0.9% of the gross amount of sales and use tax that the**
 20 **vendor is to pay to the Comptroller; OR**

21 **(II) \$300 FOR EACH RETURN.**

22 **(2) The credit allowed under this section does not apply to any sales**
 23 **and use tax that a vendor is required to pay to the Comptroller for any purchase or use**
 24 **that the vendor makes that is subject to the tax.**

25 (b) (1) Subject to paragraph (2) of this subsection, the credit allowed
 26 under this section is 1.2% of the first \$6,000 of the gross amount of sales and use tax
 27 that the vendor is to pay with each return.

28 **(2) For a vendor who files or is eligible to file a consolidated return**
 29 **under § 11-502 of this title [,]:**

1 (I) the credit allowed under paragraph (1) of this subsection is
2 1.2% of the first \$6,000 of the gross amount of sales and use tax that the vendor is or
3 would be required to pay with the consolidated return; AND

4 (II) THE TOTAL MAXIMUM CREDIT THAT THE VENDOR IS
5 ALLOWED UNDER THIS SECTION FOR ALL RETURNS FILED FOR ANY PERIOD IS
6 \$300.

7 [(c) From July 1, 2004 through June 30, 2006:

8 (1) the credit allowed under subsection (a) of this section is 0.45% of
9 the gross amount of sales and use tax that the vendor is to pay to the Comptroller; and

10 (2) the credit allowed under subsection (b) is:

11 (i) 0.6% of the first \$6,000 of the gross amount of sales and use
12 tax that the vendor is to pay with each return; or

13 (ii) for a vendor described in subsection (b)(2) of this section,
14 0.6% of the first \$6,000 of the gross amount of sales and use tax that the vendor is or
15 would be required to pay with the consolidated return.]

16 11-301.

17 The sales and use tax is computed on:

18 (1) the taxable price of each separate sale;

19 (2) if a combined sale is made, the combined taxable price of all retail
20 sales on the same occasion by the same vendor to the same buyer; or

21 (3) if retail sales of tangible personal property or a taxable service are
22 made through vending or other self-service machines, [95.25%] 94.5% of the gross
23 receipts from the retail sales.

24 11-302.

25 For each retail sale or sale for use other than a sale under § 11-405 or § 11-406
26 of this title, the sales and use tax shall be:

27 (1) stated [and charged] separately from the sale price; and

28 (2) shown separately from the sale price on any record of a sale:

29 (i) at the time of the sale;

30 (ii) when the vendor issues evidence of the sale; or

(iii) when the vendor uses evidence of the sale.

11-402.

[A] SUBJECT TO § 11-302 OF THIS TITLE, A vendor may [not directly or indirectly advertise, state, or otherwise hold out that any part of the sales and use tax:

(1) will be assumed or absorbed by the vendor;

(2) will not be added to the taxable price of tangible personal property or a taxable service; or

(3) will be refunded if added to the taxable price of tangible personal property or a taxable service]:

(1) ASSUME OR ABSORB ALL OR ANY PART OF THE SALES AND USE TAX IMPOSED ON A RETAIL SALE OR USE; AND

(2) PAY THAT SALES AND USE TAX ON BEHALF OF THE BUYER.

11-601.

(b) (1) A vendor who makes a sale subject to the sales and use tax shall pay the sales and use tax that the vendor collects for that sale **OR THAT THE VENDOR ASSUMES OR ABSORBS FOR THAT SALE** with the return that covers the period in which the vendor makes that sale.

SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland read as follows:

Article - Tax - General

~~11-101.~~

~~(C-1) "REPAIR SERVICE" INCLUDES:~~

~~(1) LAUNDERING, CLEANING, MENDING, ALTERING, AND FITTING OF CLOTHING AND OTHER TEXTILES, INCLUDING:~~

~~(I) FUR STORAGE AND REPAIR; AND~~

~~(II) SHOE REPAIR AND SHOE SHINING;~~

~~(2) FURNITURE, RUG, CARPET, AND UPHOLSTERY CLEANING AND REPAIR, INCLUDING REUPHOLSTERY;~~

1 ~~(3) COMPUTER AND OFFICE MACHINE REPAIR OF ALL TYPES;~~

2 ~~(4) MOTOR VEHICLE AND BOAT REPAIR OF ALL TYPES, BUT NOT~~
3 ~~INCLUDING ROADSIDE ASSISTANCE SERVICES;~~

4 ~~(5) ELECTRICAL AND ELECTRONIC REPAIR OF ALL TYPES;~~

5 ~~(6) WATCH, CLOCK, AND JEWELRY REPAIR; AND~~

6 ~~(7) REPAIR OF ANY OTHER TANGIBLE PERSONAL PROPERTY.~~

7 ~~(m) "Taxable service" means:~~

8 ~~(1) fabrication, printing, or production of tangible personal property by~~
9 ~~special order;~~

10 ~~(2) commercial cleaning or laundering of textiles for a buyer who is~~
11 ~~engaged in a business that requires the recurring service of commercial cleaning or~~
12 ~~laundering of the textiles;~~

13 ~~(3) cleaning of a commercial or industrial building;~~

14 ~~(4) cellular telephone or other mobile telecommunications service;~~

15 ~~(5) "900", "976", "915", and other "900" type telecommunications~~
16 ~~service;~~

17 ~~(6) custom calling service provided in connection with basic telephone~~
18 ~~service;~~

19 ~~(7) a telephone answering service;~~

20 ~~(8) pay per view television service;~~

21 ~~(9) credit reporting;~~

22 ~~(10) a security service, including:~~

23 ~~(i) a detective, guard, or armored car service; and~~

24 ~~(ii) a security systems service;~~

25 ~~(11) a transportation service for transmission, distribution, or delivery~~
26 ~~of electricity or natural gas, if the sale or use of the electricity or natural gas is subject~~
27 ~~to the sales and use tax; [or]~~

1 ~~(12) a prepaid telephone calling arrangement;~~

2 ~~(13) A REPAIR SERVICE; OR~~

3 ~~(14) A PARKING FACILITY OR SERVICE.~~

4 11-226.

5 [(a) The sales and use tax does not apply to the sale of the following electric
6 appliances that meet or exceed the applicable Energy Star efficiency requirements
7 developed by the United States Environmental Protection Agency and the United
8 States Department of Energy:

9 (1) a clothes washer purchased on or after July 1, 2000, but before
10 July 1, 2003;

11 (2) a room air conditioner purchased on or after January 1, 2001, but
12 before July 1, 2004; or

13 (3) a standard size refrigerator purchased on or after July 1, 2001, but
14 before July 1, 2004.

15 (b) The sales and use tax does not apply to the sale, on or before July 1, 2004,
16 of:

17 (1) a fuel cell that:

18 (i) generates electricity and heat using an electrochemical
19 process;

20 (ii) has an electricity-only generation efficiency greater than
21 35%; and

22 (iii) has a generating capacity of at least 2 kilowatts;

23 (2) a natural gas heat pump that has a coefficient of performance of at
24 least 1.25 for heating and at least 0.70 for cooling;

25 (3) an electric heat pump hot water heater that yields an energy factor
26 of at least 1.7;

27 (4) an electric heat pump that has a heating system performance
28 factor of at least 7.5 and a cooling seasonal energy efficiency ratio of at least 13.5;

29 (5) a central air conditioner that has a cooling seasonal energy
30 efficiency ratio of at least 13.5; or

1 (6) an advanced natural gas water heater that has an energy factor of
2 at least 0.65.]

3 (A) (1) IN THIS SUBSECTION, "ENERGY STAR PRODUCT" MEANS AN
4 AIR CONDITIONER, CLOTHES WASHER OR DRYER, FURNACE, HEAT PUMP,
5 STANDARD SIZE REFRIGERATOR, COMPACT FLUORESCENT LIGHT BULB,
6 DEHUMIDIFIER, OR PROGRAMMABLE THERMOSTAT THAT HAS BEEN
7 DESIGNATED AS MEETING OR EXCEEDING THE APPLICABLE ENERGY STAR
8 EFFICIENCY REQUIREMENTS DEVELOPED BY THE UNITED STATES
9 ENVIRONMENTAL PROTECTION AGENCY AND THE UNITED STATES
10 DEPARTMENT OF ENERGY.

11 (2) THE WEEKEND THAT CONSISTS OF THE SATURDAY
12 IMMEDIATELY PRECEDING THE THIRD MONDAY IN FEBRUARY THROUGH THE
13 THIRD MONDAY IN FEBRUARY EACH YEAR SHALL BE A TAX-FREE WEEKEND
14 DURING WHICH THE EXEMPTION UNDER PARAGRAPH (3) OF THIS SUBSECTION
15 SHALL APPLY.

16 (3) DURING THE TAX-FREE WEEKEND ESTABLISHED UNDER
17 PARAGRAPH (2) OF THIS SUBSECTION, THE SALES AND USE TAX DOES NOT
18 APPLY TO THE SALE OF ANY:

19 (I) ENERGY STAR PRODUCT; OR

20 (II) SOLAR WATER HEATER.

21 [(c)] (B) The sales and use tax does not apply to the sale of a multifuel
22 pellet stove designed to burn agricultural field corn.

23 11-228.

24 (a) In this section, "accessory items" includes jewelry, watches, watchbands,
25 handbags, handkerchiefs, umbrellas, scarves, ties, headbands, and belt buckles.

26 (b) (1) The [5-day period from August 23, 2006 through August 27, 2006,]
27 7-DAY PERIOD FROM THE SECOND SUNDAY IN AUGUST THROUGH THE
28 FOLLOWING SATURDAY shall be a tax-free period for
29 back-to-school shopping in Maryland during which the exemption under paragraph
30 (2) of this subsection shall apply.

31 (2) During the tax-free period for back-to-school shopping established
32 under paragraph (1) of this subsection, the sales and use tax does not apply to the sale
33 of any item of clothing or footwear, excluding accessory items, if the taxable price of
34 the item of clothing or footwear is \$100 or less.

1 SECTION 3. AND BE IT FURTHER ENACTED, That the Laws of Maryland
 2 read as follows:

3 Article - Tax - General

4 12-105.

5 (a) The tobacco tax rate for cigarettes is:

6 (1) [50 cents] \$1.00 for each package of 10 or fewer cigarettes;

7 (2) [\$1.00] \$2.00 for each package of at least 11 and not more than 20
 8 cigarettes;

9 (3) [5.0] 10.0 cents for each cigarette in a package of more than 20
 10 cigarettes; and

11 (4) [5.0] 10.0 cents for each cigarette in a package of free sample
 12 cigarettes.

13 SECTION 4. AND BE IT FURTHER ENACTED, That the Laws of Maryland
 14 read as follows:

15 ~~9-305.~~

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

18 ~~(1) 7 cents for each gallon of aviation gasoline;~~

19 ~~(2) [23.5] 24 cents for each gallon of gasoline other than aviation~~
 20 ~~gasoline;~~

21 ~~(3) [24.25] 24.75 cents for each gallon of special fuel other than~~
 22 ~~clean burning fuel or turbine fuel;~~

23 ~~(4) 7 cents for each gallon of turbine fuel; and~~

24 ~~(5) [23.5] 24 cents for each gasoline equivalent gallon of~~
 25 ~~clean burning fuel except electricity.~~

26 ~~(B) (1) (i) THIS SUBSECTION APPLIES TO THE MOTOR FUEL TAX~~
 27 ~~RATE EFFECTIVE BEGINNING JANUARY 1, 2009.~~

28 ~~(ii) AN INCREASE IN THE MOTOR FUEL TAX RATE UNDER~~
 29 ~~THIS SUBSECTION SHALL BE EFFECTIVE FOR A PERIOD OF 1 YEAR.~~

1 ~~(2) SUBJECT TO THE LIMITATIONS UNDER PARAGRAPH (3) OF~~
2 ~~THIS SUBSECTION, FOR MOTOR FUELS SPECIFIED IN SUBSECTION (A)(2), (3),~~
3 ~~AND (5) OF THIS SECTION OTHER THAN AVIATION GASOLINE OR TURBINE FUEL,~~
4 ~~THE MOTOR FUEL TAX RATE SHALL BE INCREASED EFFECTIVE JANUARY 1 OF~~
5 ~~EACH YEAR BY THE AMOUNT, ROUNDED UP TO THE NEAREST ONE TENTH OF A~~
6 ~~CENT, THAT EQUALS THE PRODUCT OF MULTIPLYING:~~

7 ~~(I) THE MOTOR FUEL TAX RATE IN EFFECT FOR THE~~
8 ~~PRECEDING CALENDAR YEAR; AND~~

9 ~~(II) THE ANNUAL PERCENTAGE GROWTH IN THE~~
10 ~~CONSTRUCTION COST INDEX AS DETERMINED BY THE COMPTROLLER UNDER~~
11 ~~SUBSECTION (C)(2) OF THIS SECTION.~~

12 ~~(3) (I) FOR ANY CALENDAR YEAR, THE MOTOR FUEL TAX~~
13 ~~RATES MAY NOT BE INCREASED BY MORE THAN 1 CENT PER GALLON OVER THE~~
14 ~~RATES IN EFFECT FOR THE PRECEDING CALENDAR YEAR.~~

15 ~~(II) IF THERE IS NO INCREASE IN THE ANNUAL PERCENTAGE~~
16 ~~GROWTH IN THE CONSTRUCTION COST INDEX, THE MOTOR FUEL TAX RATES~~
17 ~~SHALL BE THE TAX RATES IN EFFECT FOR THE PRECEDING CALENDAR YEAR.~~

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

24 ~~(C) (1) IN THIS SECTION, "CONSTRUCTION COST INDEX" MEANS AN~~
25 ~~INDEX PUBLISHED MONTHLY BY THE ENGINEERING NEWS RECORD THAT IS A~~
26 ~~WEIGHTED AGGREGATE INDEX OF THE PRICES OF CONSTANT QUANTITIES OF~~
27 ~~STRUCTURAL STEEL, PORTLAND CEMENT, LUMBER, AND COMMON LABOR.~~

28 ~~(2) ON OR BEFORE OCTOBER 15 OF EACH YEAR, THE~~
29 ~~COMPTROLLER SHALL DETERMINE AND ANNOUNCE:~~

30 ~~(I) THE ANNUAL PERCENTAGE GROWTH IN THE~~
31 ~~CONSTRUCTION COST INDEX BASED ON THE CHANGE IN THE INDEX REPORTED~~
32 ~~FROM THE PRECEDING OCTOBER THROUGH THE CURRENT OCTOBER INDEX;~~
33 ~~AND~~

34 ~~(II) THE MOTOR FUEL TAX RATES EFFECTIVE JANUARY 1 OF~~
35 ~~THE NEXT CALENDAR YEAR.~~

1 **Article – Transportation**

2 3–202.

3 (a) The Department from time to time may issue its bonds on behalf of this
4 State to finance the cost of any one or more or combination of transportation facilities.

5 (b) The bonds shall be known as “consolidated transportation bonds” and
6 may be issued in any amount as long as the aggregate outstanding and unpaid
7 principal balance of these bonds and bonds of prior issues does not exceed at any one
8 time the sum of ~~[\$2.0]~~ ~~\$3.0~~ \$2.0 billion.

9 (c) The maximum outstanding and unpaid principal balance of consolidated
10 transportation bonds and bonds of prior issues as of June 30 for the next fiscal year:

11 (1) Shall be established each year by the General Assembly in the
12 State budget; and

13 (2) May not exceed the limit established in subsection (b) of this
14 section.

15 3–215.

16 (b) The tax levied and imposed by this section consists of that part of the
17 following taxes that are retained to the credit of the Department after distributions to
18 the political subdivisions:

19 (1) The motor fuel tax revenue distributed under §§ 2–1103(2) and
20 2–1104(4) of the Tax – General Article;

21 (2) The income tax revenue distributed under § 2–614 of the Tax –
22 General Article;

23 (3) The excise tax imposed on vehicles by Part II of Title 13, Subtitle 8
24 of this article; and

25 (4) The sales and use tax revenues distributed under [§ 2–1302.1] §§
26 2–1302.1 AND 2–1302.2 of the Tax – General Article.

27 13–809.

28 (a) (3) **(I)** “Total purchase price” means the price of a vehicle agreed on
29 by the buyer and the seller, including any dealer processing charge, [with no] LESS AN
30 allowance for trade-in [or] AS PROVIDED IN SUBPARAGRAPH (II) OF THIS
31 PARAGRAPH, BUT WITH NO ALLOWANCE FOR other nonmonetary consideration.

1 (II) A TRADE-IN ALLOWANCE SHALL EQUAL 50% OF THE
 2 VALUE, NOT TO EXCEED 50% OF THE VALUE SHOWN IN A NATIONAL
 3 PUBLICATION OF USED VEHICLE VALUES ADOPTED FOR USE BY THE
 4 DEPARTMENT, OF ANY VEHICLE THAT IS TRADED IN AS PART OF THE
 5 CONSIDERATION OF THE SALE.

6 (b) (1) Except as otherwise provided in this part, in addition to any other
 7 charge required by the Maryland Vehicle Law, an excise tax is imposed:

8 (i) For each original and each subsequent certificate of title
 9 issued in this State for a motor vehicle, trailer, or semitrailer; and

10 (ii) Except as provided in paragraph (2) of this subsection, for
 11 each motor vehicle, trailer, or semitrailer that is in interstate operation and registered
 12 under § 13-109(c) or (d) of this title without a certificate of title.

13 (c) (1) Except as provided in subsection (b)(2) of this section, the tax
 14 imposed by this section is [5 percent] **6 PERCENT** of the fair market value of the
 15 vehicle.

16 SECTION ~~2~~ 5. AND BE IT FURTHER ENACTED, That the Laws of Maryland
 17 read as follows:

18 **Article 24 – Political Subdivisions – Miscellaneous Provisions**

19 **9-1104.**

20 **THE GOVERNOR SHALL INCLUDE IN THE BUDGET BILL FOR EACH FISCAL**
 21 **YEAR A GENERAL FUND APPROPRIATION TO BALTIMORE CITY OF \$3,075,000.**

22 ~~Article – Environment~~

23 ~~9-1605.3.~~

24 ~~THE GOVERNOR SHALL INCLUDE IN THE BUDGET BILL FOR EACH FISCAL~~
 25 ~~YEAR A GENERAL FUND APPROPRIATION FOR CHESAPEAKE BAY RELATED~~
 26 ~~PROGRAMS OF NOT LESS THAN \$13,755,000.~~

27 **Article – Natural Resources**

28 4-209.

29 (K) **THE GOVERNOR SHALL INCLUDE IN THE BUDGET BILL FOR EACH**
 30 **FISCAL YEAR A GENERAL FUND APPROPRIATION TO THE FISHERIES RESEARCH**
 31 **AND DEVELOPMENT FUND OF NOT LESS THAN \$1,794,000.**

1 **8-205.**

2 (A) **THERE IS A CHESAPEAKE BAY 2010 TRUST FUND.**

3 (B) **THE PURPOSE OF THE FUND IS TO PROVIDE THE FINANCIAL**
4 **ASSISTANCE NECESSARY TO MEET, BY 2010, THE GOALS ESTABLISHED IN THE**
5 **CHESAPEAKE 2000 AGREEMENT FOR THE RESTORATION OF THE CHESAPEAKE**
6 **BAY AND ITS TRIBUTARIES, INCLUDING THE PATUXENT RIVER.**

7 (C) **THE SECRETARY SHALL ADMINISTER THE FUND.**

8 (D) (1) **THE FUND IS A SPECIAL, NONLAPSING FUND THAT IS NOT**
9 **SUBJECT TO § 7-302 OF THE STATE FINANCE AND PROCUREMENT ARTICLE.**

10 (2) **THE TREASURER SHALL HOLD THE FUND SEPARATELY, AND**
11 **THE COMPTROLLER SHALL ACCOUNT FOR THE FUND.**

12 (E) **THE FUND CONSISTS OF:**

13 (1) **MONEY APPROPRIATED IN THE STATE BUDGET FOR THE**
14 **FUND;**

15 (2) **MONEY DISTRIBUTED TO THE FUND UNDER §§ 2-1104 AND**
16 **~~2-1302.2~~ 2-1302.1 OF THE TAX - GENERAL ARTICLE; AND**

17 (3) **ANY OTHER MONEY FROM ANY OTHER SOURCE ACCEPTED**
18 **FOR THE BENEFIT OF THE FUND.**

19 (F) **THE FUND MAY BE USED ONLY FOR THE IMPLEMENTATION OF THE**
20 **STATE'S TRIBUTARY STRATEGY DEVELOPED IN ACCORDANCE WITH THE**
21 **CHESAPEAKE 2000 AGREEMENT.**

22 (G) (1) **THE TREASURER SHALL INVEST THE MONEY OF THE FUND IN**
23 **THE SAME MANNER AS OTHER STATE MONEY MAY BE INVESTED.**

24 (2) **ANY INVESTMENT EARNINGS OF THE FUND SHALL BE**
25 **RETAINED TO THE CREDIT OF THE FUND.**

26 (H) **MONEY EXPENDED FROM THE FUND FOR THE RESTORATION OF**
27 **THE CHESAPEAKE BAY AND ITS TRIBUTARIES, INCLUDING THE PATUXENT**
28 **RIVER, IS SUPPLEMENTAL TO AND IS NOT INTENDED TO TAKE THE PLACE OF**
29 **FUNDING THAT OTHERWISE WOULD BE APPROPRIATED FOR BAY RESTORATION.**

30 8-707.

1 (D) THE GOVERNOR SHALL INCLUDE IN THE BUDGET BILL FOR EACH
2 FISCAL YEAR A GENERAL FUND APPROPRIATION TO THE WATERWAY
3 IMPROVEMENT FUND OF NOT LESS THAN \$1,794,000.

4 **Article – State Finance and Procurement**

5 [7-313.

6 (a) In this section, “Fund” means the Maryland Emergency Medical Service
7 System Fund.

8 (b) For fiscal year 1988, \$31,000,000 derived from the increase in revenues
9 under Chapter 291 of the Acts of 1987 and allocated for the use of the Department of
10 Transportation shall be transferred to this Fund from the Transportation Trust Fund.

11 (c) The Fund is a continuing, nonlapsing fund which is not subject to § 7-302
12 of this subtitle.

13 (d) Expenditures under this section shall be made pursuant to an
14 appropriation approved by the General Assembly in the annual State budget or by the
15 budget amendment procedure provided for in § 7-209 of this title, provided that any
16 budget amendment shall be submitted to and approved by the Legislative Policy
17 Committee prior to the expenditure or obligation of funds.

18 (e) The moneys distributed to this Fund may be used only for the
19 procurement of new helicopters and auxiliary helicopter equipment, ground support
20 equipment, and other capital equipment related to the helicopters and for equipment
21 and related improvements to the Emergency Medical Services’ Communication
22 System.]

23 **7-328.**

24 (A) **IN THIS SECTION, “FUND” MEANS THE TOURISM, ARTS, AND**
25 **CULTURAL DEVELOPMENT FUND.**

26 (B) (1) **THERE IS A TOURISM, ARTS, AND CULTURAL DEVELOPMENT**
27 **FUND.**

28 (2) **THE PURPOSE OF THE FUND IS TO ENRICH THE LIVES OF**
29 **MARYLAND CITIZENS BY INVESTING IN TOURISM, THE ARTS, AND OTHER**
30 **CULTURAL ACTIVITIES.**

31 (3) **THE FUND IS A SPECIAL, NONLAPSING FUND THAT IS NOT**
32 **SUBJECT TO § 7-302 OF THE STATE FINANCE AND PROCUREMENT ARTICLE.**

1 **(4) THE TREASURER SHALL HOLD THE FUND AND THE**
 2 **COMPTROLLER SHALL ACCOUNT FOR THE FUND.**

3 **(5) THE PROCEEDS OF THE FUND SHALL BE INVESTED AND**
 4 **REINVESTED.**

5 **(6) ANY INVESTMENT EARNINGS SHALL BE PAID INTO THE FUND.**

6 **(7) THE FUND CONSISTS OF:**

7 **(I) ANY MONEY APPROPRIATED TO THE FUND; AND**

8 **(II) ANY OTHER MONEY FROM ANY OTHER SOURCE**
 9 **ACCEPTED FOR THE BENEFIT OF THE FUND.**

10 **(8) MONEY IN THE FUND MAY BE EXPENDED ONLY TO SUPPORT**
 11 **TOURISM, THE ARTS, AND OTHER CULTURAL ACTIVITIES.**

12 **Article - Tax - General**

13 ~~2-614.~~

14 ~~[(a)] After making the distribution required under § 2-613 of this subtitle, the~~
 15 ~~Comptroller shall distribute monthly 24% of the remaining income tax revenue from~~
 16 ~~corporations to [a special fund to be distributed as provided in subsection (b) of this~~
 17 ~~section.~~

18 ~~(b) (1) From the special fund, the Comptroller shall distribute an amount~~
 19 ~~equal to 24% of the cost to administer the income tax on corporations to an~~
 20 ~~administrative cost account.~~

21 ~~(2) After making the distribution required under paragraph (1) of this~~
 22 ~~subsection, the Comptroller shall distribute the balance in the special fund to] the~~
 23 ~~Gasoline and Motor Vehicle Revenue Account in the Transportation Trust Fund.~~

24 ~~[2-1102.~~

25 ~~After making the distributions required under § 2-1101 of this subtitle, from~~
 26 ~~the remaining motor fuel tax revenue, the Comptroller shall distribute the amount~~
 27 ~~necessary to administer the Motor Fuel Tax Bureau of the Regulatory and~~
 28 ~~Enforcement Division of the Comptroller's Office to an administrative cost account.]~~

29 ~~[2-1103.] 2-1102.~~

30 ~~After making the [distributions] DISTRIBUTION required under [§§ 2-1101 and~~
 31 ~~2-1102] § 2-1101 of this subtitle, the Comptroller shall distribute:~~

1 ~~(1) the remaining motor fuel tax revenue from aviation fuel to the~~
2 ~~Transportation Trust Fund; and~~

3 ~~(2) all remaining motor fuel tax revenue[, equal to the average~~
4 ~~percentage by which the motor fuel tax rate exceeds 18.5 cents per gallon, to the~~
5 ~~gasoline and motor vehicle revenue account] **TO THE GASOLINE AND MOTOR**~~
6 ~~**VEHICLE REVENUE ACCOUNT** in the Transportation Trust Fund.~~

7 ~~2-1104.~~

8 After making the distributions required under §§ 2-1101 through 2-1103 of this
9 subtitle, from the remaining motor fuel tax revenue, the Comptroller shall distribute:

10 ~~(1) 0.3% to the Waterway Improvement Fund;~~

11 ~~(2) 0.3% to the Fisheries Research and Development Fund;~~

12 ~~(3) (1) 2.3% to the General Fund of the State for Chesapeake Bay~~
13 ~~related programs **CHESAPEAKE BAY 2010 TRUST FUND**; and~~

14 ~~(4) (2) any remaining balance to the Gasoline and Motor Vehicle~~
15 ~~Revenue Account of the Transportation Trust Fund.~~

16 ~~2-1302.1.~~

17 After making the distributions required under §§ 2-1301 and 2-1302 of this
18 subtitle, ~~the Comptroller monthly shall distribute~~ **OF** [45% of] the sales and use tax
19 collected on short-term vehicle rentals under § 11-104(c) of this article **THE**
20 **COMPTROLLER SHALL DISTRIBUTE:**

21 **(1) 45%** to the Transportation Trust Fund established under § 3-216
22 of the Transportation Article; **AND**

23 **(2) THE REMAINDER TO THE CHESAPEAKE BAY 2010 TRUST**
24 **FUND.**

25 **2-1302.2.**

26 **AFTER MAKING THE DISTRIBUTIONS REQUIRED UNDER §§ 2-1301**
27 **THROUGH 2-1302.1 OF THIS SUBTITLE, THE COMPTROLLER SHALL PAY 8% OF**
28 **THE REMAINING SALES AND USE TAX REVENUE INTO THE TRANSPORTATION**
29 **TRUST FUND ESTABLISHED UNDER § 3-216 OF THE TRANSPORTATION**
30 **ARTICLE.**

31 ~~2-1303.~~

1 After making the distributions required under §§ 2-1301 through [2-1302.1]
 2 2-1302.2 of this subtitle, the Comptroller shall pay:

3 (1) revenues from the hotel surcharge into the Dorchester County
 4 Economic Development Fund established under Article 83A, § 5-216 of the Code; and

5 (2) the remaining sales and use tax revenue into the General Fund of
 6 the State.

7 **Article - Transportation**

8 8-402.

9 (a) There is a Gasoline and Motor Vehicle Revenue Account in the
 10 Transportation Trust Fund.

11 (b) All revenues collected from the following, after deductions provided by
 12 law, shall be credited to the Gasoline and Motor Vehicle Revenue Account:

13 (1) All of the motor vehicle fuel tax;

14 (2) Except as otherwise provided by law, 80 percent of the vehicle
 15 titling tax;

16 (3) Except for revenues collected under Parts III and IV of Title 13,
 17 Subtitle 9 of this article, vehicle registration fees;

18 (4) The revenue disbursed to this account under § 2-614 of the
 19 Tax - General Article; and

20 (5) 80 percent of the funds distributed on short-term vehicle rentals
 21 under § 2-1302.1 of the Tax - General Article to the Transportation Trust Fund from
 22 the sales and use tax.

23 (c) (1) During each fiscal year, the Account shall be used to pay the
 24 allocations of highway user revenues provided by this subtitle to the counties,
 25 municipalities, and Baltimore City; and

26 (2) The balance of the Account may be used as provided in § 3-216 of
 27 this article.

28 ~~12-118.~~

29 ~~(a) Except as specifically provided by law, all money received under the~~
 30 ~~Maryland Vehicle Law shall be accounted for and remitted to the State Comptroller.~~

1 (b) ~~Out of the money remitted to the State Comptroller under the Maryland~~
2 ~~Vehicle Law, the State Comptroller shall:~~

3 (1) ~~Pay or retain enough to pay all refunds of taxes or fees provided for~~
4 ~~in the Maryland Vehicle Law;~~

5 (2) ~~Credit to the Gasoline and Motor Vehicle Revenue Account of the~~
6 ~~Transportation Trust Fund the revenues specified in § 8-402 of this article, after~~
7 ~~retaining enough to pay[;~~

8 (i) ~~The] THE salaries and other expenses of the State Highway~~
9 ~~Administration in enforcing Title 24 of this article; AND~~

10 [(ii) ~~The salaries and other expenses of the Commercial Vehicle~~
11 ~~Enforcement Division of the Department of State Police as approved by the~~
12 ~~Department in enforcing Title 23, Subtitle 4 of this article, Title 24 of this article, the~~
13 ~~provisions of the Tax General Article on the motor carrier tax, and the provisions of~~
14 ~~Title 10 of the Business Regulation Article on motor fuel fraud and motor fuel tax~~
15 ~~fraud;~~

16 (iii) ~~Funds required, in addition to the funding provided in~~
17 ~~§ 13-804 of this article, for the salaries and other expenses of the Automotive Safety~~
18 ~~Enforcement Division of the Department of State Police as approved by the~~
19 ~~Department in enforcing Title 23 of this article and Subtitle 6 of Title 22 of this article;~~
20 ~~and~~

21 (iv) ~~The salaries and other expenses of the Department of State~~
22 ~~Police and other State agencies, as approved by the Department, in enforcing the~~
23 ~~provisions of § 25-111 of this article; and]~~

24 (3) ~~Credit the balance to the Transportation Trust Fund.~~

25 [13-208.

26 (a) Of each filing fee received under this subtitle, the Administration shall
27 deposit \$14 in the General Fund.

28 (b) For each fiscal year, the Comptroller shall distribute to Baltimore City an
29 amount equal to \$5 for each filing fee received under this subtitle.]

30 13-613.

31 (d) [Except as provided in subsection (e) of this section, of the] THE proceeds
32 collected annually from the additional fees charged under this section[;

1 (1) The first \$180,000 shall be paid into a special fund administered by
2 the Maryland Higher Education Commission for use in the medical, dental, legal,
3 nursing, social work, and pharmaceutical scholarship programs provided by this State;

4 (2) The next \$200,000 shall be used solely for the purposes of the
5 scholarship program authorized by §§ 18–1101 through 18–1105 of the Education
6 Article; and

7 (3) Except as otherwise provided by law, any balance shall be
8 distributed to the General Fund of the State] **SHALL BE DISTRIBUTED TO THE**
9 **TRANSPORTATION TRUST FUND.**

10 [(e) (1) The Administration shall keep \$12.50 of the fee payable with the
11 original application for special registration under this section to recover the
12 administrative and production costs of the special registration.

13 (2) Funds kept by the Administration under this subsection may not
14 be credited to the Gasoline and Motor Vehicle Revenue Account for distribution under
15 § 8–403 or § 8–404 of this article.]

16 SECTION 6. AND BE IT FURTHER ENACTED, That, notwithstanding any
17 other provision of law, from the sales and use tax revenue collected from January 1,
18 2008, through the end of June 30, 2008, the Comptroller shall distribute \$110,000,000
19 to the State Police Helicopter Replacement Fund established under § 2–801 of the
20 Public Safety Article. It is the intent of the General Assembly that the Governor
21 include in the annual budget bill in fiscal years 2009 through 2012, an amount
22 sufficient from the Fund, to purchase 3 helicopters each fiscal year. It is the further
23 intent of the General Assembly that the State Police purchase a flight simulator to use
24 for helicopter pilot training.

25 SECTION 7. AND BE IT FURTHER ENACTED, That:

26 (a) On or before February 1, 2008, the Maryland Department of
27 Transportation shall submit a report for the proposed projects included in the 2008
28 through 2013 Consolidated Transportation Program. The report shall:

29 (1) include:

30 (i) the specific major, minor, and system preservation
31 transportation capital projects, along with a listing of fund source by project; and

32 (ii) an estimate of the cash flow for each project for each of fiscal
33 years 2009 through 2013;

34 (2) demonstrate how the major projects contribute toward a
35 comprehensive approach to meeting the State's overall transportation needs; and

1 (3) be provided to the Senate Budget and Taxation Committee, the
2 House Appropriations Committee, and the House Committee on Ways and Means.

3 (b) It is the intent of the General Assembly that:

4 (1) any additional revenue dedicated to the Transportation Trust
5 Fund through enactment of legislation during the Special Session of 2007 not be
6 programmed by the Department in fiscal years 2008 or 2009 in the Consolidated
7 Transportation Program or appropriated in either of the fiscal years 2008 or 2009
8 State budgets, except for projects needed:

9 (i) to respond to an act of God or natural disaster;

10 (ii) to respond to acts of terrorism;

11 (iii) to implement critical system preservation projects;

12 (iv) to implement repair or replacement of structurally deficient
13 or functionally obsolete bridges; or

14 (v) for any other purpose to insure the public safety and
15 economic interests of the State.

16 (2) (i) the Senate Budget and Taxation Committee and the House
17 Appropriations Committee shall review the report in subsection (a) of this section
18 during the fiscal 2009 budget hearings for the Department; and

19 (ii) after review and comment by the budget committees, the
20 Governor may provide funding in fiscal years 2008 or 2009 through a supplemental
21 budget to implement elements of the report.

22 SECTION 8. AND BE IT FURTHER ENACTED, That the Comptroller shall
23 adopt regulations that will exempt from the increase in the rate of the sales and use
24 tax under § 11-104 of the Tax – General Article as enacted by Section 1 of this Act any
25 otherwise taxable sales of tangible personal property to contractors or builders to be
26 used for the construction, repair, or alteration of real property, on contracts entered
27 into prior to the effective date of the sales and use tax increase under § 11-104 of the
28 Tax – General Article as enacted by Section 1 of this Act. The exemption may be in the
29 form of a refund, credit, or, to the extent practicable, deduction at the time of sale. The
30 regulations shall be applicable only with respect to the 1% increase in the rate of the
31 sales and use tax which becomes effective January 3, 2008.

32 SECTION 9. AND BE IT FURTHER ENACTED, That all cigarettes used,
33 possessed, or held in the State on or after January 1, 2008, by any person for sale or
34 use in the State, shall be subject to the full tobacco tax of \$2.00 on cigarettes imposed
35 by this Act. This requirement includes: (1) cigarettes in vending machines or other
36 mechanical dispensers; and (2) cigarettes (generally referred to as “floor stock”) in
37 packages which already bear stamps issued by the Comptroller under the State

1 Tobacco Tax Act but for an amount less than the full tax imposed on \$1 for each 10
2 cigarettes or fractional part thereof; all cigarettes held for sale by any person in the
3 State on or after January 1, 2008, that bear a stamp issued by the Comptroller of a
4 value less than \$2.00 for each pack of 20 cigarettes must be stamped with the
5 additional stamps necessary to make the aggregate tax value equal to \$2.00. The
6 Comptroller may provide an alternative method of collecting the additional tax. The
7 revenue attributable to this requirement shall be remitted to the Comptroller by April
8 30, 2008. Except as otherwise provided in this Section, on or after January 1, 2008, no
9 Maryland stamp shall be used except the stamp issued by the Comptroller to evidence
10 the tobacco tax on cigarettes of \$2.00 imposed by this Act.

11 SECTION ~~3~~ 10. AND BE IT FURTHER ENACTED, That § 13-809 of the
12 Transportation Article as enacted by Section ~~1~~ 4 of this Act shall be applicable to all
13 certificates of title issued in the State on or after January 1, 2008, and to all motor
14 vehicles, trailers, or semitrailers subject to the excise tax that are in interstate
15 operation and registered under § 13-109(c) or (d) of the Transportation Article without
16 a certificate of title on or after January 1, 2008.

17 ~~SECTION 4. AND BE IT FURTHER ENACTED, That each person holding~~
18 ~~tax-paid motor fuel for sale at the start of business on January 1, 2008, shall compile~~
19 ~~and file an inventory of the motor fuel held at the close of business on December 31,~~
20 ~~2007, and remit within 30 days any additional motor fuel tax that is due on the motor~~
21 ~~fuel.~~

22 SECTION 11. AND BE IT FURTHER ENACTED, That, notwithstanding the
23 provisions of Section 4 of this Act, the modified definition of "total purchase price" for
24 the purposes of the calculation of the motor vehicle excise tax imposed on a vehicle
25 under § 13-809(a) of the Transportation Article as enacted under Section 4 of this Act
26 does not apply until any Consolidated Transportation Bonds that were issued by the
27 Department of Transportation before January 1, 2008 no longer remain outstanding
28 and unpaid; provided, however, that in any fiscal year for which funds are
29 appropriated by the General Assembly to pay the principal of and interest on the
30 Department of Transportation's Consolidated Transportation Bonds due and payable
31 in that fiscal year, the Motor Vehicle Administration shall collect the reduced motor
32 vehicle excise tax imposed on a vehicle by utilizing the modified definition as enacted
33 under Section 4 of this Act.

34 SECTION 12. AND BE IT FURTHER ENACTED, That Section 1 of this Act
35 shall take effect January 3, 2008.

36 SECTION ~~5~~ 13. AND BE IT FURTHER ENACTED, That ~~Section 2~~ Sections 2
37 and 5 of this Act shall take effect July 1, 2008. Section 5 of this Act shall be applicable
38 to the fiscal year beginning July 1, 2008, and each subsequent fiscal year. Section
39 8-205 of the Natural Resources Article as enacted by Section 5 of this Act shall take
40 effect contingent on the failure of House Bill 23 during the 2007 Special Session of the
41 General Assembly. If House Bill 23 is enacted, § 8-205 of the Natural Resources
42 Article as enacted by Section 5 of this Act shall be null and void without the necessity
43 of further action by the General Assembly.

1 SECTION ~~6~~ 14. AND BE IT FURTHER ENACTED, That except as provided in
2 ~~Section 5~~ Sections 12 and 13 of this Act, this Act shall take effect January 1, 2008.

Approved:

Governor.

Speaker of the House of Delegates.

President of the Senate.