

# HOUSE BILL 1318

Q4, Q5

8lr2265

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By: **Delegate Bronrott**

Introduced and read first time: February 8, 2008

Assigned to: Ways and Means

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## A BILL ENTITLED

1 AN ACT concerning

2 **Sales and Use Tax on Computer Services and Motor Vehicle Excise Tax -**  
3 **Rates**

4 FOR the purpose of altering the distribution of sales and use tax revenues to the  
5 Transportation Trust Fund; altering the sales and use tax rate applied to  
6 certain computer services; altering the motor vehicle excise tax rate for certain  
7 vehicles having a certain manufacturer's shipping weight; exempting certain  
8 vehicles equipped to transport certain disabled individuals from the increased  
9 motor vehicle excise tax rate; providing for the termination of certain provisions  
10 of this Act; and generally relating to transportation funding.

11 BY repealing and reenacting, with amendments,  
12 Article – Tax – General  
13 Section 2–1302.2  
14 Annotated Code of Maryland  
15 (2004 Replacement Volume and 2007 Supplement)  
16 (As enacted by Chapter 6 of the Acts of the General Assembly of the 2007  
17 Special Session)

18 BY adding to  
19 Article – Tax – General  
20 Section 11–104(g)  
21 Annotated Code of Maryland  
22 (2004 Replacement Volume and 2007 Supplement)

23 BY repealing and reenacting, with amendments,  
24 Article – Transportation  
25 Section 13–809(c)  
26 Annotated Code of Maryland  
27 (2006 Replacement Volume and 2007 Supplement)

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (As enacted by Chapter 6 of the Acts of the General Assembly of the 2007  
2 Special Session)

3 BY repealing  
4 Article – Tax – General  
5 Section 11–104(g)  
6 Annotated Code of Maryland  
7 (2004 Replacement Volume and 2007 Supplement)  
8 (As enacted by Section 1 of this Act)

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

11 **Article – Tax – General**

12 2–1302.2.

13 After making the distributions required under §§ 2–1301 through 2–1302.1 of  
14 this subtitle, the Comptroller shall pay [6.5%] **4.4%** of the remaining sales and use tax  
15 revenue into the Transportation Trust Fund established under § 3–216 of the  
16 Transportation Article.

17 11–104.

18 **(G) THE SALES AND USE TAX RATE FOR A COMPUTER SERVICE IS 3% OF**  
19 **THE TAXABLE PRICE.**

20 **Article – Transportation**

21 13–809.

22 (c) (1) Except as provided in **PARAGRAPH (4) OF THIS SUBSECTION**  
23 **AND** subsection (b)(2) of this section, the tax imposed by this section is 6 percent of the  
24 fair market value of the vehicle.

25 (2) If the vehicle formerly was a vehicle exempt from the tax imposed  
26 by this section, the tax shall be reduced by any amount previously paid by the present  
27 owner as a sales and use tax on the vehicle under Title 11 of the Tax – General Article.

28 (3) (i) 1. In this subparagraph, “military” includes the  
29 Commissioned Corps of the Public Health Service, the National Oceanic and  
30 Atmospheric Administration, or the Coast and Geodetic Survey.

31 2. If the vehicle was formerly titled and registered in  
32 another state and the present owner has paid a sales or excise tax to that state at a  
33 rate less than that imposed by this State, then the tax imposed shall apply but at a

1 rate measured by the difference only between the tax rate paid to the other state and  
2 the tax rate imposed by this section, if the present owner:

3 A. Has not been a Maryland resident for more than 60  
4 days; or

5 B. Is a member of the military on active duty and has not  
6 been a Maryland resident for more than 1 year.

7 (ii) If the vehicle was formerly titled and registered in another  
8 state and the present owner requests to transfer the vehicle in accordance with §  
9 13–810(c)(1) of this subtitle, the Administration shall change or correct the names  
10 contained in the certificate of title:

11 1. At the time the excise tax that is credited or imposed  
12 under this section is paid and a new title is issued; and

13 2. Without issuing multiple certificates of title or  
14 charging additional fees.

15 (iii) Except as provided in subsection (b)(2) of this section, the  
16 minimum tax imposed under this section shall be \$100.

17 **(4) (I) EXCEPT AS PROVIDED IN SUBPARAGRAPH (II) OF THIS**  
18 **PARAGRAPH, THE TAX IMPOSED BY THIS SECTION FOR A CLASS M**  
19 **(MULTIPURPOSE) PASSENGER VEHICLE WITH A MANUFACTURER’S SHIPPING**  
20 **WEIGHT OF:**

21 **1. AT LEAST 5,000 POUNDS BUT LESS THAN 5,999**  
22 **POUNDS IS 7%;**

23 **2. AT LEAST 6,000 POUNDS BUT LESS THAN 7,499**  
24 **POUNDS IS 7.5%; AND**

25 **3. 7,500 POUNDS OR MORE IS 8%.**

26 **(II) SUBPARAGRAPH (I) OF THIS PARAGRAPH DOES NOT**  
27 **APPLY TO A CLASS M (MULTIPURPOSE) PASSENGER VEHICLE EQUIPPED TO**  
28 **TRANSPORT A DISABLED INDIVIDUAL WHO REQUIRES THE USE OF AN ASSISTIVE**  
29 **DEVICE TO ENTER, EXIT, OR OPERATE THE VEHICLE.**

30 SECTION 2. AND BE IT FURTHER ENACTED, That Section(s) 11–104(g) of  
31 Article – Tax – General of the Annotated Code of Maryland (as enacted by Section 1 of  
32 this Act) be repealed.

1           SECTION 3. AND BE IT FURTHER ENACTED, That Section 2 of this Act shall  
2 take effect on the taking effect of the termination provision specified in Section 13 of  
3 Chapter 3 of the Acts of the General Assembly of the 2007 Special Session.

4           SECTION 4. AND BE IT FURTHER ENACTED, That, except as provided in  
5 Section 3 of this Act, this Act shall take effect July 1, 2008.