

SENATE BILL 474

Q5

8lr1376

By: **Senators Garagiola, Raskin, Colburn, King, Lenett, and Madaleno**
Introduced and read first time: February 1, 2008
Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **Motor Fuel Tax - Exemptions for Biodiesel - Government Vehicles**

3 FOR the purpose of exempting certain biodiesel fuel purchased for use in certain
4 government vehicles from certain percentages of the State motor fuel tax in
5 certain fiscal years; requiring the Comptroller to adopt certain regulations; and
6 generally relating to motor fuel tax exemptions for biodiesel fuel.

7 BY repealing and reenacting, with amendments,
8 Article - Tax - General
9 Section 9-303
10 Annotated Code of Maryland
11 (2004 Replacement Volume and 2007 Supplement)

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

14 **Article - Tax - General**

15 9-303.

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

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

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

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

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



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

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

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

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

10 (3) the State;

11 (4) a political subdivision of the State;

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

13 (6) a foreign government.

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

16 **(E) (1) THE MOTOR FUEL TAX FOR BIODIESEL FUEL WITH A BLEND**
17 **OF 20% (B20) OR ABOVE THAT IS BOUGHT FOR USE IN COUNTY OR MUNICIPAL**
18 **GOVERNMENT VEHICLES, INCLUDING SCHOOL BUSES AND PASSENGER BUSES,**
19 **SHALL BE EQUAL TO THE FOLLOWING PERCENTAGES OF THE MOTOR FUEL TAX**
20 **SPECIFIED IN § 9-305(3) OF THIS SUBTITLE:**

21 **(I) IN FISCAL YEAR 2009, 50%;**

22 **(II) IN FISCAL YEAR 2010, 60%; AND**

23 **(III) IN FISCAL YEAR 2011, 70%.**

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, 2008.