

# SENATE BILL 924

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8lr3386  
CF 8lr3204

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By: **Senator Peters**

Introduced and read first time: February 20, 2008

Assigned to: Rules

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## A BILL ENTITLED

1 AN ACT concerning

2 **Motor Vehicle Excise Tax – Leased Vehicles – Residual Value**

3 FOR the purpose of prohibiting a lessor from passing on to the lessee the portion of the  
4 motor vehicle excise tax paid by the lessor on the residual value of a leased  
5 vehicle; providing that a lessor is entitled to a refund of the portion of the motor  
6 vehicle excise tax paid by the lessor on the residual value of a leased vehicle;  
7 requiring a lessor to apply to the Motor Vehicle Administration on a certain  
8 form in order to obtain a refund; defining certain terms; and generally relating  
9 to the motor vehicle excise tax and the residual value of leased vehicles.

10 BY adding to

11 Article – Transportation

12 Section 13–809.1

13 Annotated Code of Maryland

14 (2006 Replacement Volume and 2007 Supplement)

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

17 **Article – Transportation**

18 **13–809.1.**

19 (A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE  
20 MEANINGS INDICATED.

21 (2) “EXCISE TAX” MEANS THE EXCISE TAX IMPOSED BY THIS  
22 PART.

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1           **(3) "LEASE AGREEMENT" MEANS A CONTRACT IN THE FORM OF A**  
2 **BAILMENT OR LEASE FOR THE USE OF A MOTOR VEHICLE FOR A PERIOD OF TIME**  
3 **EXCEEDING 180 CONSECUTIVE DAYS, INCLUDING RENEWAL PERIODS, WHETHER**  
4 **OR NOT THE LESSEE HAS THE OPTION TO PURCHASE OR OTHERWISE BECOME**  
5 **THE OWNER OF THE MOTOR VEHICLE AT THE EXPIRATION OF THE LEASE.**

6           **(4) "RESIDUAL VALUE" MEANS THE VALUE OF A LEASED VEHICLE**  
7 **AT THE END OF THE LEASE TERM AS DETERMINED BY THE MANUFACTURER.**

8           **(B) AS PART OF A LEASE AGREEMENT, THE LESSOR MAY NOT PASS ON**  
9 **TO THE LESSEE THE PORTION OF THE EXCISE TAX PAID BY THE LESSOR ON THE**  
10 **RESIDUAL VALUE OF THE LEASED VEHICLE.**

11           **(C) (1) AFTER ENTERING INTO A LEASE AGREEMENT, THE LESSOR IS**  
12 **ENTITLED TO A REFUND OF THE PORTION OF THE EXCISE TAX PAID BY THE**  
13 **LESSOR ON THE RESIDUAL VALUE OF THE LEASED VEHICLE.**

14           **(2) TO OBTAIN A REFUND UNDER THIS SUBSECTION, THE LESSOR**  
15 **SHALL APPLY TO THE ADMINISTRATION ON A FORM THE ADMINISTRATION**  
16 **REQUIRES.**

17           SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
18 October 1, 2008.