

# HOUSE BILL 747

Q5

9lr2160

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By: **Delegate Barkley**

Introduced and read first time: February 10, 2009

Assigned to: Ways and Means

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## A BILL ENTITLED

1 AN ACT concerning

2 **Motor Fuel Tax - Adjustments**

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; and generally relating to  
8 motor fuel tax.

9 BY repealing and reenacting, with amendments,  
10 Article - Tax - General  
11 Section 9-305  
12 Annotated Code of Maryland  
13 (2004 Replacement Volume and 2008 Supplement)

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

16 **Article - Tax - General**

17 9-305.

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

20 (1) 7 cents for each gallon of aviation gasoline;

21 (2) [23.5] **24** cents for each gallon of gasoline other than aviation  
22 gasoline;

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (3) [24.25] **24.75** cents for each gallon of special fuel other than  
2 clean-burning fuel or turbine fuel;

3 (4) 7 cents for each gallon of turbine fuel; and

4 (5) [23.5] **24** cents for each gasoline-equivalent gallon of  
5 clean-burning fuel except electricity.

6 (B) (1) IN THIS SUBSECTION, "CONSTRUCTION COST INDEX" MEANS  
7 AN INDEX PUBLISHED MONTHLY BY THE ENGINEERING NEWS-RECORD THAT IS  
8 A WEIGHTED AGGREGATE INDEX OF THE PRICES OF CONSTANT QUANTITIES OF  
9 STRUCTURAL STEEL, PORTLAND CEMENT, LUMBER, AND COMMON LABOR.

10 (2) (I) THIS SUBSECTION APPLIES TO THE MOTOR FUEL TAX  
11 RATE EFFECTIVE BEGINNING JULY 1, 2010.

12 (II) AN INCREASE IN THE MOTOR FUEL TAX RATE UNDER  
13 THIS SUBSECTION SHALL BE EFFECTIVE FOR A PERIOD OF 1 YEAR.

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

20 (I) THE MOTOR FUEL TAX RATE IN EFFECT ON JUNE 30 OF  
21 THE PRECEDING FISCAL YEAR; AND

22 (II) THE ANNUAL PERCENTAGE GROWTH IN THE  
23 CONSTRUCTION COST INDEX AS DETERMINED BY THE COMPTROLLER UNDER  
24 PARAGRAPH (6) OF THIS SUBSECTION.

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

28 (II) IF THERE IS NO INCREASE IN THE ANNUAL PERCENTAGE  
29 GROWTH IN THE CONSTRUCTION COST INDEX, THE MOTOR FUEL TAX RATES  
30 SHALL BE THE TAX RATES IN EFFECT ON JUNE 30 OF THE PRECEDING FISCAL  
31 YEAR.

32 (5) THE COMPTROLLER SHALL REQUIRE ANY PERSON  
33 POSSESSING TAX-PAID MOTOR FUEL FOR SALE AT THE START OF BUSINESS ON

1 THE DATE OF ANY INCREASE IN THE MOTOR FUEL TAX UNDER THIS SUBSECTION  
2 TO COMPILE AND FILE AN INVENTORY OF THE MOTOR FUEL HELD AT THE CLOSE  
3 OF BUSINESS ON THE PRECEDING DATE AND REMIT WITHIN 30 DAYS ANY  
4 ADDITIONAL MOTOR FUEL TAX THAT IS DUE ON THE MOTOR FUEL.

5 (6) ON OR BEFORE APRIL 1 OF EACH YEAR, THE COMPTROLLER  
6 SHALL DETERMINE AND ANNOUNCE:

7 (I) THE ANNUAL PERCENTAGE GROWTH IN THE  
8 CONSTRUCTION COST INDEX BASED ON THE CHANGE IN THE INDEX REPORTED  
9 FROM THE PRECEDING APRIL INDEX THROUGH THE CURRENT APRIL INDEX;  
10 AND

11 (II) THE MOTOR FUEL TAX RATES EFFECTIVE JULY 1 OF THE  
12 NEXT FISCAL YEAR.

13 SECTION 2. AND BE IT FURTHER ENACTED, That each person holding  
14 tax-paid motor fuel for sale at the start of business on July 1, 2009, shall compile and  
15 file an inventory of the motor fuel held at the close of business on June 30, 2009, and  
16 remit within 30 days any additional motor fuel tax that is due on the motor fuel.

17 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect  
18 July 1, 2009.