

SENATE BILL 722

Q5, Q4

9lr2208

By: **Senator Madaleno**

Introduced and read first time: February 6, 2009

Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **Tax General – Motor Fuel Tax – Sales and Use Tax**

3 FOR the purpose of altering the motor fuel tax rate; altering the distribution of motor
4 fuel tax revenue to the Transportation Trust Fund and the Gasoline and Motor
5 Vehicle Revenue Account; altering the distribution of sales and use tax revenue;
6 altering the distribution of highway user revenues to Baltimore City; and
7 generally relating to the motor fuel tax and the sales and use tax.

8 BY repealing and reenacting, with amendments,
9 Article – Tax – General
10 Section 2–1103, 2–1104, 2–1302.2, and 9–305
11 Annotated Code of Maryland
12 (2004 Replacement Volume and 2008 Supplement)

13 BY adding to
14 Article – Tax – General
15 Section 2–1105 and 2–1106
16 Annotated Code of Maryland
17 (2004 Replacement Volume and 2008 Supplement)

18 BY repealing and reenacting, with amendments,
19 Article – Transportation
20 Section 8–402 and 8–403
21 Annotated Code of Maryland
22 (2008 Replacement Volume)

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

25 **Article – Tax – General**

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 2-1103.

2 After making the distributions required under §§ 2-1101 and 2-1102 of this
3 subtitle, the Comptroller shall distribute[:

4 (1) the remaining motor fuel tax revenue from aviation fuel to the
5 Transportation Trust Fund[; and

6 (2) all remaining motor fuel tax revenue, equal to the average
7 percentage by which the motor fuel tax rate exceeds 18.5 cents per gallon, to the
8 Gasoline and Motor Vehicle Revenue Account in the Transportation Trust Fund].

9 2-1104.

10 [(a) Except as provided in subsection (b) of this section, after] **AFTER** making
11 the distributions required under §§ 2-1101 through 2-1103 of this subtitle, from the
12 remaining motor fuel tax revenue, the Comptroller shall distribute[:

13 (1) **2.3% OF THE FIRST 18.5 CENTS OF THE MOTOR FUEL TAX**
14 **REVENUE PER GALLON** to the Chesapeake Bay 2010 Trust Fund[; and

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

17 [(b) For the fiscal year beginning July 1, 2008, instead of the distribution
18 required under subsection (a)(1) of this section, the Comptroller shall distribute 2.3%
19 of the remaining motor fuel tax revenue as follows:

20 (1) \$6,500,000 to the General Fund of the State; and

21 (2) the balance to the Chesapeake Bay 2010 Trust Fund.]

22 **2-1105.**

23 **AFTER MAKING THE DISTRIBUTIONS REQUIRED UNDER §§ 2-1101**
24 **THROUGH 2-1104 OF THIS SUBTITLE, THE COMPTROLLER SHALL DISTRIBUTE**
25 **15.5 CENTS OF THE MOTOR FUEL TAX REVENUE PER GALLON TO THE GASOLINE**
26 **AND MOTOR VEHICLE REVENUE ACCOUNT IN THE TRANSPORTATION TRUST**
27 **FUND.**

28 **2-1106.**

29 **AFTER MAKING THE DISTRIBUTIONS REQUIRED UNDER §§ 2-1101**
30 **THROUGH 2-1105 OF THIS SUBTITLE, THE COMPTROLLER SHALL DISTRIBUTE**

1 **ALL OF THE REMAINING MOTOR FUEL TAX REVENUE TO THE TRANSPORTATION**
 2 **TRUST FUND.**

3 2-1302.2.

4 After making the distributions required under §§ 2-1301 through 2-1302.1 of
 5 this subtitle, the Comptroller shall pay into the [Transportation Trust Fund]
 6 **GASOLINE AND MOTOR VEHICLE REVENUE ACCOUNT** established under [§
 7 3-216] § **8-402** of the Transportation Article[:

8 (1) for each fiscal year beginning before July 1, 2013, 5.3% of the
 9 remaining sales and use tax revenue; and

10 (2)] for each fiscal year beginning on or after July 1, 2013, 6.5% of the
 11 remaining sales and use tax revenue.

12 9-305.

13 The motor fuel tax rate is:

14 (1) 7 cents for each gallon of aviation gasoline;

15 (2) [23.5] **28.5** cents for each gallon of gasoline other than aviation
 16 gasoline;

17 (3) [24.25] **29.25** cents for each gallon of special fuel other than
 18 clean-burning fuel or turbine fuel;

19 (4) 7 cents for each gallon of turbine fuel; and

20 (5) [23.5] **28.5** cents for each gasoline-equivalent gallon of
 21 clean-burning fuel except electricity.

22 **Article - Transportation**

23 8-402.

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

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

28 (1) [All] **15.5 CENTS** of the motor vehicle fuel tax **REVENUE PER**
 29 **GALLON;**

1 (2) Except as otherwise provided by law, two-thirds of the vehicle
2 titling tax;

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

5 (4) The revenue disbursed to this Account under [§ 2-614] §§ **2-614**
6 **AND 2-1302.2** of the Tax – General Article; and

7 (5) 80 percent of the funds distributed on short-term vehicle rentals
8 under § 2-1302.1 of the Tax – General Article to the Transportation Trust Fund from
9 the sales and use tax.

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

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

15 8-403.

16 (a) (1) Subject to [the limitation under paragraph (2) of this subsection
17 and subject to] §§ 3-307 and 3-308 of this article, during each fiscal year, of the total
18 highway user revenues, an amount shall be distributed to Baltimore City equal to the
19 [sum of:

20 (i) The] greater of \$157,500,000 or 11.5% of the total highway
21 user revenues for the fiscal year[; and

22 (ii) 11.5% of the amount by which:

23 1. 30% of the total highway user revenues for the fiscal
24 year minus the greater of \$157,500,000 or 11.5% of total highway user revenues for
25 the fiscal year; exceeds

26 2. 30% of the total highway user revenues for the fiscal
27 year that began July 1, 1997 minus the greater of \$157,500,000 or 11.5% of the total
28 highway user revenues for the fiscal year that began July 1, 1997].

29 (2) [If the amount distributed to Baltimore City under paragraph (1)
30 of this subsection for any fiscal year is less than 12.25% of the total highway user
31 revenues for the fiscal year, the amount distributed to Baltimore City for any
32 subsequent fiscal year that begins before July 1, 2007 may not exceed 12.25% of the
33 total highway user revenues for the fiscal year for which the distribution is made.

1 (3)] The amount distributed under this subsection shall be distributed
2 in monthly installments.

3 (b) Subject to §§ 3-307 and 3-308 of this article, during each fiscal year, 30%
4 of the total highway user revenues, less the amount distributed to Baltimore City
5 under subsection (a) of this section, shall be distributed to the counties and
6 municipalities of this State at the times specified in § 8-407 of this subtitle.

7 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
8 July 1, 2009.