

# SENATE BILL 827

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By: **Senator Madaleno**

Introduced and read first time: February 10, 2010

Assigned to: Budget and Taxation

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## A BILL ENTITLED

1 AN ACT concerning

2 **Motor Fuel Tax – Index**

3 FOR the purpose of providing for certain increases in the motor fuel tax rates for  
4 certain motor fuel for certain periods under certain circumstances; requiring the  
5 Comptroller to make certain determinations regarding the average wholesale  
6 price per gallon of motor fuel for certain periods; providing for the payment of  
7 certain taxes on certain tax–paid motor fuel held as of certain dates; providing  
8 for the payment of a certain credit on certain tax–paid motor fuel held as of  
9 certain dates; and generally relating to the motor fuel tax.

10 BY repealing and reenacting, with amendments,  
11 Article – Tax – General  
12 Section 9–305  
13 Annotated Code of Maryland  
14 (2004 Replacement Volume and 2009 Supplement)

15 BY adding to  
16 Article – Tax – General  
17 Section 9–306  
18 Annotated Code of Maryland  
19 (2004 Replacement Volume and 2009 Supplement)

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

22 **Article – Tax – General**

23 9–305.

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



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

3                   (1) 7 cents for each gallon of aviation gasoline;

4                   (2) 23.5 cents for each gallon of gasoline other than aviation gasoline;

5                   (3) 24.25 cents for each gallon of special fuel other than clean-burning  
6 fuel or turbine fuel;

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

8                   (5) 23.5 cents for each gasoline-equivalent gallon of clean-burning  
9 fuel except electricity.

10           **(B) (1) IN THIS SUBSECTION, “BASE PERIOD PRICE” MEANS THE**  
11 **3-MONTH AVERAGE WHOLESALE PRICE PER GALLON OF MOTOR FUEL FOR THE**  
12 **3-MONTH PERIOD FROM APRIL THROUGH JUNE 2010 AS DETERMINED AND**  
13 **ANNOUNCED BY THE COMPTROLLER ON OR BEFORE AUGUST 15, 2010, UNDER §**  
14 **9-306 OF THIS SUBTITLE.**

15                   **(2) (I) THIS SUBSECTION APPLIES IF:**

16                                   **1. THE MOST RECENT 3-MONTH AVERAGE**  
17 **WHOLESALE PRICE PER GALLON OF MOTOR FUEL DETERMINED BY THE**  
18 **COMPTROLLER UNDER § 9-306 OF THIS SUBTITLE EXCEEDS THE BASE PERIOD**  
19 **PRICE; OR**

20                                   **2. THE MOTOR FUEL TAX RATES FOR MOTOR FUEL**  
21 **OTHER THAN AVIATION GASOLINE OR TURBINE FUEL IN EFFECT DURING THE**  
22 **MOST RECENT 3-MONTH PERIOD EXCEEDED THE RATES SPECIFIED IN**  
23 **SUBSECTION (A)(2), (3), AND (5) OF THIS SECTION.**

24                                   **(II) AN INCREASE IN THE MOTOR FUEL TAX RATE UNDER**  
25 **THIS SUBSECTION SHALL BE EFFECTIVE FOR A 3-MONTH PERIOD BEGINNING**  
26 **ON:**

27                                   **1. OCTOBER 1 FOR AN AUGUST 15 DETERMINATION**  
28 **UNDER § 9-306 OF THIS SUBTITLE;**

29                                   **2. JANUARY 1 FOR A NOVEMBER 15**  
30 **DETERMINATION UNDER § 9-306 OF THIS SUBTITLE;**

1                   **3.    APRIL 1 FOR A FEBRUARY 15 DETERMINATION**  
2 **UNDER § 9-306 OF THIS SUBTITLE; OR**

3                   **4.    JULY 1 FOR A MAY 15 DETERMINATION UNDER §**  
4 **9-306 OF THIS SUBTITLE.**

5                   **(3)    FOR ANY PERIOD TO WHICH THIS SUBSECTION APPLIES,**  
6 **SUBJECT TO THE LIMITATION UNDER PARAGRAPH (4) OF THIS SUBSECTION,**  
7 **THE MOTOR FUEL TAX RATES FOR MOTOR FUEL OTHER THAN AVIATION**  
8 **GASOLINE OR TURBINE FUEL SHALL BE INCREASED OVER THE RATES SPECIFIED**  
9 **IN SUBSECTION (A)(2), (3), AND (5) OF THIS SECTION BY AN AMOUNT EQUAL TO**  
10 **2 CENTS FOR EVERY 20 CENTS, ROUNDED TO THE NEAREST 20 CENTS, BY WHICH**  
11 **THE MOST RECENT 3-MONTH AVERAGE WHOLESALE PRICE PER GALLON OF**  
12 **MOTOR FUEL AS DETERMINED BY THE COMPTROLLER UNDER § 9-306 OF THIS**  
13 **SUBTITLE EXCEEDS THE BASE PERIOD PRICE.**

14                  **(4)    FOR ANY PERIOD, THE MOTOR FUEL TAX RATES MAY NOT BE:**

15                   **(I)    MORE THAN 2 CENTS HIGHER THAN THE RATES IN**  
16 **EFFECT FOR THE PRECEDING 3-MONTH PERIOD; OR**

17                   **(II)   MORE THAN 2 CENTS LESS THAN THE RATES IN EFFECT**  
18 **FOR THE PRECEDING 3-MONTH PERIOD.**

19                  **(5)    THE COMPTROLLER SHALL REQUIRE ANY PERSON**  
20 **POSSESSING TAX-PAID MOTOR FUEL FOR SALE AT THE START OF BUSINESS ON**  
21 **THE DATE OF ANY QUARTERLY INCREASE OR DECREASE IN THE MOTOR FUEL**  
22 **TAX UNDER THIS SUBSECTION TO:**

23                   **(I)    COMPILE AND FILE AN INVENTORY OF THE MOTOR FUEL**  
24 **HELD AT THE CLOSE OF BUSINESS ON THE PRECEDING DATE; AND**

25                   **(II)   1.    REMIT WITHIN 30 DAYS ANY ADDITIONAL MOTOR**  
26 **FUEL TAX THAT IS DUE ON THE MOTOR FUEL; OR**

27                   **2.    SUBMIT WITHIN 30 DAYS A CLAIM FOR A CREDIT**  
28 **FOR ANY ADDITIONAL MOTOR FUEL TAX THAT WAS PAID ON THE MOTOR FUEL.**

29 **9-306.**

30                  **(A)    QUARTERLY, THE COMPTROLLER SHALL DETERMINE THE AVERAGE**  
31 **WHOLESALE PRICE PER GALLON OF MOTOR FUEL PURCHASED IN THE STATE BY**  
32 **USING GENERALLY RECOGNIZED AND RELIABLE SOURCES OF INFORMATION.**

1           **(B) (1) ON OR BEFORE AUGUST 15 OF EACH FISCAL YEAR, THE**  
2 **COMPTRROLLER SHALL DETERMINE AND ANNOUNCE THE 3-MONTH AVERAGE**  
3 **WHOLESALE PRICE PER GALLON OF NONPREMIUM UNLEADED MOTOR FUEL**  
4 **PURCHASED IN THE STATE BASED ON PRICES REPORTED DURING THE**  
5 **PRECEDING APRIL THROUGH JUNE.**

6           **(2) ON OR BEFORE NOVEMBER 15 OF EACH FISCAL YEAR, THE**  
7 **COMPTRROLLER SHALL DETERMINE AND ANNOUNCE THE 3-MONTH AVERAGE**  
8 **WHOLESALE PRICE PER GALLON OF NONPREMIUM UNLEADED MOTOR FUEL**  
9 **PURCHASED IN THE STATE BASED ON PRICES REPORTED DURING THE**  
10 **PRECEDING JULY THROUGH SEPTEMBER.**

11           **(3) ON OR BEFORE FEBRUARY 15 OF EACH FISCAL YEAR, THE**  
12 **COMPTRROLLER SHALL DETERMINE AND ANNOUNCE THE 3-MONTH AVERAGE**  
13 **WHOLESALE PRICE PER GALLON OF NONPREMIUM UNLEADED MOTOR FUEL**  
14 **PURCHASED IN THE STATE BASED ON PRICES REPORTED DURING THE**  
15 **PRECEDING OCTOBER THROUGH DECEMBER.**

16           **(4) ON OR BEFORE MAY 15 OF EACH FISCAL YEAR, THE**  
17 **COMPTRROLLER SHALL DETERMINE AND ANNOUNCE THE 3-MONTH AVERAGE**  
18 **WHOLESALE PRICE PER GALLON OF NONPREMIUM UNLEADED MOTOR FUEL**  
19 **PURCHASED IN THE STATE BASED ON PRICES REPORTED DURING THE**  
20 **PRECEDING JANUARY THROUGH MARCH.**

21           SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
22 July 1, 2010.