

HOUSE BILL 1388

Q5

2lr3201

By: **Delegates Ross and Hixson**

Introduced and read first time: February 23, 2012

Assigned to: Rules and Executive Nominations

A BILL ENTITLED

1 AN ACT concerning

2 **Motor Fuel Tax – Increase – Construction Cost Index**

3 FOR the purpose of altering the motor fuel tax rates for certain motor fuel on certain
4 dates by certain amounts; providing for the alteration of the motor fuel tax rates
5 for certain motor fuel under certain circumstances annually beginning on a
6 certain date based on the percentage growth in a certain cost index; prohibiting
7 an increase of the motor fuel tax rates for certain motor fuel of more than a
8 certain amount in a certain period; requiring the Comptroller to determine and
9 announce the percentage growth in a certain cost index and the motor fuel tax
10 rates for certain motor fuel on certain dates; requiring persons who hold
11 tax-paid motor fuel on the date of an increase in the motor fuel tax to remit any
12 additional tax due on the fuel; defining a certain term; and generally relating to
13 increasing the motor fuel tax rates for certain motor fuel and indexing the tax
14 rates to a certain cost index.

15 BY repealing and reenacting, with amendments,
16 Article – Tax – General
17 Section 9–305
18 Annotated Code of Maryland
19 (2010 Replacement Volume and 2011 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.

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

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



- 1 (1) 7 cents for each gallon of aviation gasoline;
- 2 (2) [23.5] **28.5** cents for each gallon of gasoline other than aviation
3 gasoline;
- 4 (3) [24.25] **29.25** cents for each gallon of special fuel other than
5 clean-burning fuel or turbine fuel;
- 6 (4) 7 cents for each gallon of turbine fuel; and
- 7 (5) [23.5] **28.5** cents for each gasoline-equivalent gallon of
8 clean-burning fuel except electricity.

9 (B) (1) **THE MOTOR FUEL TAX RATES SPECIFIED IN SUBSECTION**
10 **(A)(2), (3), AND (5) OF THIS SECTION SHALL BE INCREASED ON JULY 1, 2013,**
11 **AND JULY 1, 2014, BY 5 CENTS PER GALLON OVER THE RATES IN EFFECT ON**
12 **THE IMMEDIATELY PRECEDING DATE.**

13 (2) (I) **THIS PARAGRAPH APPLIES TO THE MOTOR FUEL TAX**
14 **RATES BEGINNING ON JULY 1, 2015.**

15 (II) **AN INCREASE IN THE MOTOR FUEL TAX RATES UNDER**
16 **THIS PARAGRAPH SHALL BE EFFECTIVE FOR A PERIOD OF 1 YEAR BEGINNING**
17 **ON JULY 1.**

18 (III) **SUBJECT TO THE LIMITATION UNDER SUBPARAGRAPH**
19 **(IV) OF THIS PARAGRAPH, THE MOTOR FUEL TAX RATES SPECIFIED IN**
20 **SUBSECTION (A)(2), (3), AND (5) OF THIS SECTION SHALL BE INCREASED ON**
21 **JULY 1 OF EACH YEAR OVER THE RATES IN EFFECT ON THE IMMEDIATELY**
22 **PRECEDING DATE BY THE AMOUNT, ROUNDED TO THE NEAREST ONE-TENTH OF**
23 **A CENT, THAT EQUALS THE PRODUCT OF MULTIPLYING:**

24 1. **THE MOTOR FUEL TAX RATE IN EFFECT ON THE**
25 **IMMEDIATELY PRECEDING DATE; AND**

26 2. **THE PERCENTAGE GROWTH IN THE**
27 **CONSTRUCTION COST INDEX AS DETERMINED BY THE COMPTROLLER UNDER**
28 **SUBSECTION (C)(2) OF THIS SECTION.**

29 (IV) **FOR ANY FISCAL YEAR, THE MOTOR FUEL TAX RATES**
30 **MAY NOT BE INCREASED BY MORE THAN 2 CENTS PER GALLON OVER THE RATES**
31 **IN EFFECT FOR THE IMMEDIATELY PRECEDING FISCAL YEAR.**

1 **(V) IF THERE IS NO GROWTH IN THE CONSTRUCTION COST**
2 **INDEX, THE MOTOR FUEL TAX RATES SHALL BE THE TAX RATES IN EFFECT FOR**
3 **THE IMMEDIATELY PRECEDING FISCAL YEAR.**

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

8 **(2) ON OR BEFORE JUNE 15 OF EACH YEAR, THE COMPTROLLER**
9 **SHALL DETERMINE AND ANNOUNCE:**

10 **(I) THE PERCENTAGE GROWTH IN THE CONSTRUCTION**
11 **COST INDEX BASED ON THE AVERAGE OF THE INDEX FOR THE CURRENT MONTH**
12 **AND THE PRECEDING 11 MONTHS COMPARED TO THE AVERAGE OF THE INDEX**
13 **FOR THE PRIOR 12 MONTHS; AND**

14 **(II) THE MOTOR FUEL TAX RATES EFFECTIVE ON THE**
15 **FOLLOWING JULY 1.**

16 **(D) THE COMPTROLLER SHALL REQUIRE ANY PERSON POSSESSING**
17 **TAX-PAID MOTOR FUEL FOR SALE AT THE START OF BUSINESS ON THE DATE OF**
18 **AN INCREASE IN THE MOTOR FUEL TAX UNDER THIS SECTION TO COMPILE AND**
19 **FILE AN INVENTORY OF THE MOTOR FUEL HELD AT THE CLOSE OF BUSINESS ON**
20 **THE IMMEDIATELY PRECEDING DATE AND REMIT WITHIN 30 DAYS ANY**
21 **ADDITIONAL MOTOR FUEL TAX THAT IS DUE ON THE MOTOR FUEL.**

22 SECTION 2. AND BE IT FURTHER ENACTED, That each person holding
23 tax-paid motor fuel for sale at the start of business on July 1, 2012, shall compile and
24 file an inventory of the motor fuel held at the close of business on June 30, 2012, and
25 remit within 30 days any additional motor fuel tax that is due on the motor fuel.

26 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect
27 July 1, 2012.