

# SENATE BILL 325

R2, Q4

2lr1330

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By: **Senator Colburn**

Introduced and read first time: January 27, 2012

Assigned to: Budget and Taxation

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## A BILL ENTITLED

1 AN ACT concerning

2 **Regional Mass Transit Account**

3 FOR the purpose of increasing the sales and use tax rate in Anne Arundel County,  
4 Baltimore City, Baltimore County, Montgomery County, and Prince George's  
5 County by a certain amount; creating the Regional Mass Transit Account in the  
6 Transportation Trust Fund to pay the cost of transit facilities and transit  
7 service in Anne Arundel County, Baltimore City, Baltimore County,  
8 Montgomery County, and Prince George's County; requiring that revenue from  
9 the increase in the sales and use tax rate under this Act be credited to the  
10 Regional Mass Transit Account; altering the percentage of gross receipts from  
11 vending machine sales to which the sales and use tax rate applies in Anne  
12 Arundel County, Baltimore City, Baltimore County, Montgomery County, and  
13 Prince George's County; and generally relating to increasing the sales and use  
14 tax rate in Anne Arundel County, Baltimore City, Baltimore County,  
15 Montgomery County, and Prince George's County and dedicating the revenue to  
16 mass transit.

17 BY adding to  
18 Article – Tax – General  
19 Section 2–1302.2 and 11–104(a–1)  
20 Annotated Code of Maryland  
21 (2010 Replacement Volume and 2011 Supplement)

22 BY repealing and reenacting, without amendments,  
23 Article – Tax – General  
24 Section 11–104(a)  
25 Annotated Code of Maryland  
26 (2010 Replacement Volume and 2011 Supplement)

27 BY repealing and reenacting, with amendments,  
28 Article – Tax – General

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 Section 2–1303, 11–104(b), (d), and (f)(2) and 11–301  
 2 Annotated Code of Maryland  
 3 (2010 Replacement Volume and 2011 Supplement)

4 BY repealing and reenacting, with amendments,  
 5 Article – Transportation  
 6 Section 3–216(c)  
 7 Annotated Code of Maryland  
 8 (2008 Replacement Volume and 2011 Supplement)

9 BY adding to  
 10 Article – Transportation  
 11 Section 7–309  
 12 Annotated Code of Maryland  
 13 (2008 Replacement Volume and 2011 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 **2–1302.2.**

18 **AFTER MAKING THE DISTRIBUTIONS REQUIRED UNDER §§ 2–1301**  
 19 **THROUGH 2–1302.1 OF THIS SUBTITLE, THE COMPTROLLER SHALL PAY INTO**  
 20 **THE REGIONAL MASS TRANSIT ACCOUNT IN THE TRANSPORTATION TRUST**  
 21 **FUND 14.2% OF THE SALES AND USE TAX REVENUE COLLECTED IN ANNE**  
 22 **ARUNDEL COUNTY, BALTIMORE CITY, BALTIMORE COUNTY, MONTGOMERY**  
 23 **COUNTY, AND PRINCE GEORGE’S COUNTY.**

24 2–1303.

25 After making the distributions required under §§ 2–1301 through [2–1302.1]  
 26 **2–1302.2** of this subtitle, the Comptroller shall pay:

27 (1) revenues from the hotel surcharge into the Dorchester County  
 28 Economic Development Fund established under § 10–130 of the Economic  
 29 Development Article; and

30 (2) the remaining sales and use tax revenue into the General Fund of  
 31 the State.

32 11–104.

33 (a) Except as otherwise provided in this section, the sales and use tax rate is:

- 1           (1)    for a taxable price of less than \$1:
- 2                   (i)    1 cent if the taxable price is 20 cents;
- 3                   (ii)   2 cents if the taxable price is at least 21 cents but less than  
4 34 cents;
- 5                   (iii) 3 cents if the taxable price is at least 34 cents but less than  
6 51 cents;
- 7                   (iv)  4 cents if the taxable price is at least 51 cents but less than  
8 67 cents;
- 9                   (v)   5 cents if the taxable price is at least 67 cents but less than  
10 84 cents; and
- 11                  (vi)  6 cents if the taxable price is at least 84 cents; and
- 12           (2)    for a taxable price of \$1 or more:
- 13                   (i)    6 cents for each exact dollar; and
- 14                   (ii)  for that part of a dollar in excess of an exact dollar:
- 15                           1.    1 cent if the excess over an exact dollar is at least 1  
16 cent but less than 17 cents;
- 17                           2.    2 cents if the excess over an exact dollar is at least 17  
18 cents but less than 34 cents;
- 19                           3.    3 cents if the excess over an exact dollar is at least 34  
20 cents but less than 51 cents;
- 21                           4.    4 cents if the excess over an exact dollar is at least 51  
22 cents but less than 67 cents;
- 23                           5.    5 cents if the excess over an exact dollar is at least 67  
24 cents but less than 84 cents; and
- 25                           6.    6 cents if the excess over an exact dollar is at least 84  
26 cents.

27           **(A-1) IN ANNE ARUNDEL COUNTY, BALTIMORE CITY, BALTIMORE**  
28 **COUNTY, MONTGOMERY COUNTY, AND PRINCE GEORGE'S COUNTY, THE SALES**  
29 **AND USE TAX RATE IS:**

30           **(1)    FOR A TAXABLE PRICE OF LESS THAN \$1:**

- 1                   (I)    1 CENT IF THE TAXABLE PRICE IS 14 CENTS;
- 2                   (II)   2 CENTS IF THE TAXABLE PRICE IS AT LEAST 15 CENTS  
3 BUT LESS THAN 29 CENTS;
- 4                   (III)   3 CENTS IF THE TAXABLE PRICE IS AT LEAST 29 CENTS  
5 BUT LESS THAN 43 CENTS;
- 6                   (IV)   4 CENTS IF THE TAXABLE PRICE IS AT LEAST 43 CENTS  
7 BUT LESS THAN 57 CENTS;
- 8                   (V)    5 CENTS IF THE TAXABLE PRICE IS AT LEAST 57 CENTS  
9 BUT LESS THAN 71 CENTS;
- 10                  (VI)   6 CENTS IF THE TAXABLE PRICE IS AT LEAST 71 CENTS  
11 BUT LESS THAN 85 CENTS; AND
- 12                  (VII)  7 CENTS IF THE TAXABLE PRICE IS AT LEAST 85 CENTS;  
13 AND
- 14                  (2)    FOR A TAXABLE PRICE OF \$1 OR MORE:
- 15                   (I)    7 CENTS FOR EACH EXACT DOLLAR; AND
- 16                   (II)   FOR THAT PART OF A DOLLAR IN EXCESS OF AN EXACT  
17 DOLLAR:
- 18                   1.    1 CENT IF THE EXCESS OVER AN EXACT DOLLAR IS  
19 AT LEAST 1 CENT BUT LESS THAN 15 CENTS;
- 20                   2.    2 CENTS IF THE EXCESS OVER AN EXACT DOLLAR  
21 IS AT LEAST 15 CENTS BUT LESS THAN 29 CENTS;
- 22                   3.    3 CENTS IF THE EXCESS OVER AN EXACT DOLLAR  
23 IS AT LEAST 29 CENTS BUT LESS THAN 43 CENTS;
- 24                   4.    4 CENTS IF THE EXCESS OVER AN EXACT DOLLAR  
25 IS AT LEAST 43 CENTS BUT LESS THAN 57 CENTS;
- 26                   5.    5 CENTS IF THE EXCESS OVER AN EXACT DOLLAR  
27 IS AT LEAST 57 CENTS BUT LESS THAN 71 CENTS;

1                   **6.     6 CENTS IF THE EXCESS OVER AN EXACT DOLLAR**  
2 **IS AT LEAST 71 CENTS BUT LESS THAN 85 CENTS; AND**

3                   **7.     7 CENTS IF THE EXCESS OVER AN EXACT DOLLAR**  
4 **IS AT LEAST 85 CENTS.**

5           (b)   **(1)   [If] EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS**  
6 **SUBSECTION, IF** a retail sale of tangible personal property or a taxable service is  
7 made through a vending or other self-service machine, the sales and use tax rate is  
8 6%, applied to 94.5% of the gross receipts from the vending machine sales.

9                   **(2)   IN ANNE ARUNDEL COUNTY, BALTIMORE CITY, BALTIMORE**  
10 **COUNTY, MONTGOMERY COUNTY, AND PRINCE GEORGE'S COUNTY, IF A**  
11 **RETAIL SALE OF TANGIBLE PERSONAL PROPERTY OR A TAXABLE SERVICE IS**  
12 **MADE THROUGH A VENDING OR OTHER SELF-SERVICE MACHINE, THE SALES**  
13 **AND USE TAX RATE IS 7%, APPLIED TO 93.5% OF THE GROSS RECEIPTS FROM**  
14 **THE VENDING MACHINE SALES.**

15           (d)   The sales and use tax rate for the first retail sale of a manufactured  
16 home, as defined in § 12-301(g) of the Public Safety Article, is the rate imposed under  
17 subsection (a) **OR (A-1)** of this section applied to 60% of the taxable price.

18           (f)   **(2)   The sales and use tax rate for the sale of a modular building is the**  
19 **rate imposed under subsection (a) OR (A-1) of this section applied to 60% of the**  
20 **taxable price.**

21 11-301.

22           **(A)   [The] EXCEPT AS PROVIDED IN SUBSECTION (B) OF THIS SECTION,**  
23 **THE sales and use tax is computed on:**

24                   (1)   the taxable price of each separate sale;

25                   (2)   if a combined sale is made, the combined taxable price of all retail  
26 sales on the same occasion by the same vendor to the same buyer; or

27                   (3)   if retail sales of tangible personal property or a taxable service are  
28 made through vending or other self-service machines, 94.5% of the gross receipts from  
29 the retail sales.

30                   **(B)   IN ANNE ARUNDEL COUNTY, BALTIMORE CITY, BALTIMORE**  
31 **COUNTY, MONTGOMERY COUNTY, AND PRINCE GEORGE'S COUNTY, IF A**  
32 **RETAIL SALE OF TANGIBLE PERSONAL PROPERTY OR A TAXABLE SERVICE IS**  
33 **MADE THROUGH A VENDING OR ANOTHER SELF-SERVICE MACHINE, THE SALES**

1 AND USE TAX RATE IS 7%, APPLIED TO 93.5% OF THE GROSS RECEIPTS FROM  
2 THE VENDING MACHINE SALES.

3 **Article – Transportation**

4 3–216.

5 (c) (1) There shall be maintained in the Transportation Trust Fund one or  
6 more sinking fund accounts to which shall be credited and from which shall be paid,  
7 from the proceeds of the taxes levied and imposed for that purpose or from any other  
8 funds of the Department, amounts sufficient at all times to meet the debt service on  
9 all bonds of prior issues and consolidated transportation bonds from time to time  
10 outstanding and unpaid.

11 (2) (i) The Gasoline and Motor Vehicle Revenue Account, the  
12 Driver Education Account, **THE REGIONAL MASS TRANSIT ACCOUNT**, and the  
13 Motorcycle Safety Program Account shall be maintained in the Transportation Trust  
14 Fund.

15 (ii) In each fiscal year, the Department shall budget from  
16 federal funds available to the Department, other funds in the Transportation Trust  
17 Fund, and any other funds available to the Department, an amount sufficient to fund  
18 projects and programs determined by the Secretary to be necessary to achieve the  
19 bicycle and pedestrian transportation goals identified for the fiscal year under Title 2,  
20 Subtitle 6 of this article.

21 **7–309.**

22 **(A) THERE IS A REGIONAL MASS TRANSIT ACCOUNT IN THE**  
23 **TRANSPORTATION TRUST FUND.**

24 **(B) THERE SHALL BE CREDITED TO THE REGIONAL MASS TRANSIT**  
25 **ACCOUNT A PORTION OF THE SALES AND USE TAX REVENUE COLLECTED IN**  
26 **ANNE ARUNDEL COUNTY, BALTIMORE CITY, BALTIMORE COUNTY,**  
27 **MONTGOMERY COUNTY, AND PRINCE GEORGE’S COUNTY AS PROVIDED IN**  
28 **§ 2–1302.2 OF THE TAX – GENERAL ARTICLE.**

29 **(C) FUNDS IN THE REGIONAL MASS TRANSIT ACCOUNT SHALL BE USED**  
30 **TO PAY THE COST OF TRANSIT FACILITIES AND TRANSIT SERVICE IN ANNE**  
31 **ARUNDEL COUNTY, BALTIMORE CITY, BALTIMORE COUNTY, MONTGOMERY**  
32 **COUNTY, AND PRINCE GEORGE’S COUNTY.**

33 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
34 July 1, 2012.