

HOUSE BILL 627

R7, Q5

(7lr2410)

ENROLLED BILL

— Ways and Means/Budget and Taxation —

Introduced by **Delegates C. Howard, Beitzel, Buckel, Hayes, Jameson, Mautz, McCray, McKay, Metzgar, and ~~Proctor~~ Proctor, and Adams**

Read and Examined by Proofreaders:

Proofreader.

Proofreader.

Sealed with the Great Seal and presented to the Governor, for his approval this _____ day of _____ at _____ o'clock, _____ M.

Speaker.

CHAPTER _____

1 AN ACT concerning

2 **Motor Fuel Tax Refund – Demand Response Trips**

3 FOR the purpose of adding certain vehicles used to provide certain services to those vehicles
4 that qualify for a certain motor fuel tax refund; ~~limiting the amount of a motor fuel~~
5 ~~tax refund for certain vehicles used to provide certain services to a certain percentage~~
6 ~~of motor fuel tax paid;~~ defining a certain term; and generally relating to claims for
7 motor fuel tax refunds.

8 BY repealing and reenacting, with amendments,

9 Article – Tax – General

10 Section 13–101 and 13–901(f)

11 Annotated Code of Maryland

12 (2016 Replacement Volume)

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.

Italics indicate opposite chamber/conference committee amendments.



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

3 **Article – Tax – General**

4 13–101.

5 (a) In this title the following words have the meanings indicated.

6 (b) **(1) “DEMAND RESPONSE TRIP” MEANS THE CARRIAGE OF A**
7 **PASSENGER WHO IS UNABLE TO USE REGULAR SCHEDULE, FIXED TERMINI**
8 **SERVICES.**

9 **(2) “DEMAND RESPONSE TRIP” INCLUDES A TRIP THAT IS REQUIRED**
10 **UNDER THE FEDERAL AMERICANS WITH DISABILITIES ACT.**

11 **(C)** “Governmental unit” means:

12 (1) this State or a political subdivision, unit, or instrumentality of this
13 State;

14 (2) another state or a political subdivision, unit, or instrumentality of that
15 state; and

16 (3) a unit or instrumentality of a political subdivision of this State or of
17 another state.

18 **[(c)] (D)** (1) “Tax collector” means the person or governmental unit
19 responsible for collecting a tax.

20 (2) “Tax collector” includes:

21 (i) the Comptroller;

22 (ii) the Department, with respect to:

23 1. the financial institution franchise tax; and

24 2. the public service company franchise tax; and

25 (iii) the registers of wills, with respect to the inheritance tax.

26 13–901.

27 (f) (1) Except as provided in paragraph (3) of this subsection, a claim for
28 refund of motor fuel tax may be filed by a claimant who pays the tax on:

1 (i) aviation fuel, as defined in § 9–101 of this article, that is:

2 1. dispensed to aircraft by an aircraft manufacturing
3 company located in the State; or

4 2. used:

5 A. by a person who engages in agricultural activities; and

6 B. in an aircraft that is used for agricultural purposes at least
7 70% of the time that the aircraft is used; or

8 (ii) motor fuel, as defined in § 9–101 of this article, that:

9 1. is used to operate:

10 A. a bus that is used only in the operation of a transportation
11 system of a political subdivision of the State to transport the public on regular schedules
12 between fixed termini, as defined in Title 11 of the Transportation Article;

13 B. farm equipment that is used for an agricultural purpose
14 and is not registered to operate on a public highway;

15 C. fire or rescue apparatus or vehicles by a volunteer fire
16 company or nonprofit volunteer rescue company incorporated in the State;

17 D. an internal combustion engine that is installed
18 permanently at a fixed location; [or]

19 E. a vehicle that is owned and used by a Maryland chapter of
20 the American Red Cross or a bona fide unit of a national veterans' organization; **OR**

21 **F. A VEHICLE THAT IS USED ONLY IN THE OPERATION OF**
22 **A TRANSPORTATION SYSTEM OF A POLITICAL SUBDIVISION OF THE STATE TO**
23 **TRANSPORT THE PUBLIC ON DEMAND RESPONSE TRIPS;**

24 2. is bought by:

25 A. the United States or a unit of the United States
26 government;

27 B. the Department of General Services for use by State
28 agencies;

1 C. a county board of education for use in a school bus owned
2 by a county board of education;

3 D. a school bus operator under contract with a county board
4 of education for use in a school bus used to transport the county's public school students; or

5 E. a person who is required to pay a tax on the same fuel to
6 another state;

7 3. except for any operation of a motor vehicle on a public
8 highway in the State, is used for a commercial purpose, including:

9 A. the operation of a vessel used only for commercial
10 purposes;

11 B. commercial cleaning; or

12 C. commercial dyeing;

13 4. is used in any of the following vehicles that have pumping
14 or other equipment mechanically or hydraulically driven by the engine that propels the
15 vehicle:

16 A. a concrete mixing motor vehicle or concrete pump truck;

17 B. a motor fuel delivery vehicle;

18 C. a solid waste compacting vehicle;

19 D. a well-drilling vehicle; or

20 E. farm equipment registered as a vehicle for highway use
21 that is designed or adapted solely and used exclusively for bulk farm spreading of
22 agriculture liming materials, chemicals, or fertilizer;

23 5. is used by a system of transportation based in the State,
24 in a vehicle that is used to provide transportation to elderly or low income individuals, or
25 individuals with disabilities, if the system is operated by a nonprofit organization for
26 purposes relating to the charge for which the nonprofit organization was established and
27 the nonprofit organization:

28 A. is exempt for federal income tax purposes under § 501(c)
29 of the Internal Revenue Code;

30 B. is funded to provide transportation to elderly or low
31 income individuals, or individuals with disabilities;

1 C. receives part of its operating funding from the Maryland
2 Department of Transportation or the Maryland Department of Health and Mental Hygiene;

3 D. has stated in its charter or bylaws that operating
4 transportation services for elderly or low income individuals, or individuals with
5 disabilities, is one of the purposes for which it was established; and

6 E. is actively operating a system of transportation for elderly
7 or low income individuals, or individuals with disabilities; or

8 6. is lost as a result of fire, collision, or other casualty, except
9 for loss in ordinary transportation and storage.

10 (2) A refund based on a claim under paragraph (1)(ii)4 of this subsection
11 may not exceed the following percentages of the motor fuel tax paid:

12 (i) 35% for a concrete mixing vehicle or concrete pump truck;

13 (ii) 55% for farm equipment, registered as a vehicle for highway use,
14 that is designed or adapted solely and used exclusively for bulk spreading of agriculture
15 liming materials, chemicals, or fertilizers;

16 (iii) 10% for a motor fuel delivery vehicle;

17 (iv) 15% for a solid waste compacting vehicle; and

18 (v) 80% for a well-drilling vehicle.

19 (3) A person may not make a claim for a refund of motor fuel tax under
20 paragraph (1)(ii)1B of this subsection for motor fuel used to operate a farm truck under the
21 provisions of § 8-602(c) of the Transportation Article.

22 ~~(4) A REFUND BASED ON A CLAIM UNDER PARAGRAPH (1)(II)1F OF~~
23 ~~THIS SUBSECTION MAY NOT EXCEED 20% OF THE MOTOR FUEL TAX PAID.~~

24 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
25 October 1, 2017.