

HOUSE BILL 872

Q7, Q4

9lr2332

By: **Delegate Long**

Introduced and read first time: February 8, 2019

Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Vessel Excise Tax and Sales and Use Tax – Exemptions – Transfer of**
3 **Unsalvageable Boat**

4 FOR the purpose of providing an exemption from the vessel excise tax and sales and use
5 tax on the transfer or sale of certain vessels; and generally relating to an exemption
6 from the vessel excise tax and sales and use tax.

7 BY repealing and reenacting, without amendments,
8 Article – Natural Resources
9 Section 8–716(c)(1)
10 Annotated Code of Maryland
11 (2012 Replacement Volume and 2018 Supplement)

12 BY repealing and reenacting, with amendments,
13 Article – Natural Resources
14 Section 8–716(e)(12) and (13)
15 Annotated Code of Maryland
16 (2012 Replacement Volume and 2018 Supplement)

17 BY adding to
18 Article – Natural Resources
19 Section 8–716(e)(14)
20 Annotated Code of Maryland
21 (2012 Replacement Volume and 2018 Supplement)

22 BY repealing and reenacting, with amendments,
23 Article – Tax – General
24 Section 11–221(a)(6) and (7)
25 Annotated Code of Maryland
26 (2016 Replacement Volume and 2018 Supplement)

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 BY adding to
2 Article – Tax – General
3 Section 11–221(a)(8)
4 Annotated Code of Maryland
5 (2016 Replacement Volume and 2018 Supplement)

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

8 **Article – Natural Resources**

9 8–716.

10 (c) (1) Subject to the limitation under paragraph (3) of this subsection and
11 except as provided in § 8–715(d) of this subtitle and in subsections (e) and (f) of this section,
12 and in addition to the fees prescribed in subsection (b) of this section, an excise tax is levied
13 at the rate of 5% of the fair market value of the vessel on:

14 (i) The issuance of every original certificate of title required for a
15 vessel under this subtitle;

16 (ii) The issuance of every subsequent certificate of title for the sale,
17 resale, or transfer of the vessel;

18 (iii) The sale within the State of every other vessel; and

19 (iv) The possession within the State of a vessel used or to be used
20 principally in the State.

21 (e) A person is not required to pay the tax provided for in subsection (c) of this
22 section resulting from:

23 (12) The possession within the State of a vessel for a period of not more than
24 one year if the current owner is a member of the armed services and is serving on active
25 duty in this State; [or]

26 (13) The sale of a vessel within the State if:

27 (i) The vessel is purchased from a licensed dealer;

28 (ii) The issuance of a title is not sought or required;

29 (iii) The vessel is not used or to be used principally on the waters of
30 this State;

31 (iv) The vessel is duly registered in another jurisdiction within 30
32 days of the date of purchase; and

1 (v) The dealer and the purchaser execute an agreement certifying
2 the state of principal use for the vessel which is filed with the Department within 30 days
3 of the date of purchase; **OR**

4 **(14) THE TRANSFER OF A VESSEL THAT IS UNSALVAGEABLE OR**
5 **DESTROYED.**

6 **Article – Tax – General**

7 11–221.

8 (a) The sales and use tax does not apply to:

9 (6) a rental of a motion picture, motion picture trailer, or advertising poster
10 for display on theater premises by a person whose gross receipts from the activity related
11 to the rental is subject to the admissions and amusement tax; **[or]**

12 (7) except for a rental, a sale of a vessel that is subject to the excise tax
13 under § 8–716 of the Natural Resources Article; **OR**

14 **(8) A SALE OF A VESSEL THAT IS UNSALVAGEABLE OR DESTROYED.**

15 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
16 1, 2019.