

# HOUSE BILL 1209

Q4

11r2314  
CF 11r2313

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By: **Delegate Luedtke**

Introduced and read first time: February 8, 2021

Assigned to: Ways and Means

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## A BILL ENTITLED

1 AN ACT concerning

2 **Sales and Use Tax – Peer-to-Peer Car Sharing – Alterations**

3 FOR the purpose of repealing the termination of certain provisions of law making sales and  
4 charges related to peer-to-peer car sharing subject to a certain sales and use tax  
5 rate; providing for the distribution of sales and use tax collected on peer-to-peer car  
6 sharing; altering the definition of “marketplace facilitator” to include certain  
7 peer-to-peer car sharing programs for purposes of a requirement to collect sales and  
8 use taxes; altering, under certain circumstances, the sales and use tax rate imposed  
9 on shared motor vehicles used for peer-to-peer car sharing; repealing a certain  
10 obsolete provision; providing for the effective dates of this Act; and generally relating  
11 to the sales and use tax on peer-to-peer car sharing.

12 BY repealing and reenacting, with amendments,  
13 Chapter 852 of the Acts of the General Assembly of 2018, as amended by Chapter  
14 567 of the Acts of the General Assembly of 2020  
15 Section 7

16 BY repealing and reenacting, with amendments,  
17 Article – Tax – General  
18 Section 2–1302.1, 11–101(c–2), and 11–104(c–1)  
19 Annotated Code of Maryland  
20 (2016 Replacement Volume and 2020 Supplement)

21 BY repealing and reenacting, without amendments,  
22 Article – Tax – General  
23 Section 11–101(l)(4)  
24 Annotated Code of Maryland  
25 (2016 Replacement Volume and 2020 Supplement)

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

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 **Chapter 852 of the Acts of 2018, as amended by Chapter 567 of the Acts of 2020**

2 SECTION 7. AND BE IT FURTHER ENACTED, That, except as provided in Section  
3 6 of this Act, this Act shall take effect July 1, 2018. [Section 3 of this Act shall remain  
4 effective for a period of 3 years and, at the end of June 30, 2021, Section 3 of this Act, with  
5 no further action required by the General Assembly, shall be abrogated and of no further  
6 force and effect.]

7 SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland read  
8 as follows:

9 **Article – Tax – General**

10 2–1302.1.

11 [(a)] Except as otherwise provided in this section, after making the distributions  
12 required under §§ 2–1301 and 2–1302 of this subtitle, of the sales and use tax collected [on  
13 short-term vehicle rentals] under § 11–104(c) AND (C–1) of this article **ON SHORT-TERM**  
14 **VEHICLE RENTALS AND PEER-TO-PEER CAR SHARING**, the Comptroller shall  
15 distribute:

16 (1) 45% to the Transportation Trust Fund established under § 3–216 of the  
17 Transportation Article; and

18 (2) the remainder to the Chesapeake and Atlantic Coastal Bays 2010 Trust  
19 Fund.

20 [(b)] For each fiscal year beginning on or before July 1, 2015, after the distribution  
21 required under subsection (a)(1) of this section, the Comptroller shall distribute the  
22 remainder of the sales and use tax collected on short-term vehicle rentals under § 11–104(c)  
23 of this article as follows:

24 (1) to the General Fund of the State:

25 (i) \$9,249,199 for the fiscal year beginning July 1, 2014; and

26 (ii) \$8,639,632 for the fiscal year beginning July 1, 2015; and

27 (2) the remainder to the Chesapeake and Atlantic Coastal Bays 2010 Trust  
28 Fund.]

29 11–101.

30 (c–2) (1) “Marketplace facilitator” means a person that:

1 (i) facilitates a retail sale by a marketplace seller by listing or  
2 advertising for sale in a marketplace tangible personal property; and

3 (ii) regardless of whether the person receives compensation or other  
4 consideration in exchange for the person's services, directly or indirectly through  
5 agreements with third parties, collects payment from a buyer and transmits the payment  
6 to the marketplace seller.

7 (2) "Marketplace facilitator" does not include:

8 (i) a platform or forum that exclusively provides Internet  
9 advertising services, including listing products for sale, if the platform or forum does not  
10 also engage, directly or indirectly, in collecting payment from a buyer and transmitting that  
11 payment to the vendor;

12 (ii) a payment processor business appointed by a vendor to handle  
13 payment transactions from clients, including credit cards and debit cards, whose only  
14 activity with respect to marketplace sales is to handle transactions between two parties;  
15 **OR**

16 [(iii) a peer-to-peer car sharing program, as defined in § 19-520 of  
17 the Insurance Article; or]

18 [(iv)] **(III)** a delivery service company that delivers tangible personal  
19 property on behalf of a marketplace seller that is engaged in the business of a retail vendor  
20 and holds a license issued under Subtitle 7 of this title.

21 (l) (4) "Taxable price" includes all sales and charges, including insurance,  
22 freight handling, equipment and supplies, delivery and pickup, cellular telephone, and  
23 other accessories, but not including sales of motor fuel subject to the motor fuel tax, made  
24 in connection with:

25 (i) a short-term vehicle rental, as defined in § 11-104(c) of this  
26 subtitle; or

27 (ii) a shared motor vehicle used for peer-to-peer car sharing and  
28 made available on a peer-to-peer car sharing program, as defined in § 19-520 of the  
29 Insurance Article.

30 11-104.

31 (c-1) The sales and use tax rate for sales and charges made in connection with a  
32 shared motor vehicle used for peer-to-peer car sharing and made available on a  
33 peer-to-peer car sharing program, as defined in § 19-520 of the Insurance Article, is [8%]:

34 **(1) IF THE VEHICLE IS A PASSENGER CAR, A MULTIPURPOSE**

1 PASSENGER VEHICLE, OR A MOTORCYCLE:

2 (I) EXCEPT AS PROVIDED IN ITEM (II) OF THIS ITEM:

3 1. FOR A SALE OR CHARGE MADE AFTER JUNE 30, 2021,  
4 BUT BEFORE JULY 1, 2022, 8.5% OF THE TAXABLE PRICE;

5 2. FOR A SALE OR CHARGE MADE AFTER JUNE 30, 2022,  
6 BUT BEFORE JULY 1, 2023, 9% OF THE TAXABLE PRICE; AND

7 3. FOR A SALE OR CHARGE MADE ON OR AFTER JULY 1,  
8 2023, 9.75% OF THE TAXABLE PRICE; AND

9 (II) 11.5% OF THE TAXABLE PRICE, IF THE VEHICLE IS PART OF  
10 A FLEET OF VEHICLES THAT INCLUDES AT LEAST FIVE VEHICLES OWNED BY THE  
11 SAME PERSON USED FOR PEER-TO-PEER CAR SHARING AND MADE AVAILABLE ON A  
12 PEER-TO-PEER CAR SHARING PROGRAM; OR

13 (2) 8% OF THE TAXABLE PRICE, IF THE VEHICLE IS A VEHICLE THAT  
14 MAY BE REGISTERED AS A CLASS E, F, OR G VEHICLE UNDER TITLE 13, SUBTITLE 9  
15 OF THE TRANSPORTATION ARTICLE.

16 SECTION 3. AND BE IT FURTHER ENACTED, That Section 2 of this Act shall take  
17 effect July 1, 2021.

18 SECTION 4. AND BE IT FURTHER ENACTED, That, except as provided in Section  
19 3 of this Act, this Act shall take effect June 1, 2021.