

# SENATE BILL 7

Q5  
HB 957/18 – W&M

EMERGENCY BILL

2lr4510

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By: **Senator Hough**

Introduced and read first time: December 6, 2021

Assigned to: Rules

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## A BILL ENTITLED

1 AN ACT concerning

2 **Motor Fuel Tax Rates – Consumer Price Index Adjustment – Repeal**

3 FOR the purpose of repealing a requirement that certain motor fuel tax rates be adjusted  
4 in future years based on growth in the Consumer Price Index for All Urban  
5 Consumers; and generally relating to motor fuel tax rates.

6 BY repealing and reenacting, with amendments,  
7 Article – Tax – General  
8 Section 9–305  
9 Annotated Code of Maryland  
10 (2016 Replacement Volume and 2021 Supplement)

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

### Article – Tax – General

13 9–305.

14 (a) Except as provided in subsection (b) of this section, the motor fuel tax rate is:

15 (1) 7 cents for each gallon of aviation gasoline;

16 (2) 23.5 cents for each gallon of gasoline other than aviation gasoline;

17 (3) 24.25 cents for each gallon of special fuel other than clean-burning fuel  
18 or turbine fuel;

19 (4) 7 cents for each gallon of turbine fuel; and  
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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1           (5)    23.5 cents for each gasoline–equivalent gallon of clean–burning fuel  
2 except electricity.

3           (b)    (1)    The motor fuel tax rates specified in subsection (a)(2), (3), and (5) of this  
4 section shall be increased on July 1, 2013, [and] July 1 [of each subsequent year], **2014,**  
5 **JULY 1, 2015, JULY 1, 2016, JULY 1, 2017, JULY 1, 2018, JULY 1, 2019, JULY 1, 2020,**  
6 **AND JULY 1, 2021**, in accordance with this subsection.

7           (2)    On or before June 1 [of each year], **2013, JUNE 1, 2014, JUNE 1,**  
8 **2015, JUNE 1, 2016, JUNE 1, 2017, JUNE 1, 2018, JUNE 1, 2019, JUNE 1, 2020, AND**  
9 **JUNE 1, 2021**, the Comptroller shall determine and announce:

10                   (i)    the growth in the Consumer Price Index for all urban consumers  
11 as determined by the Comptroller under paragraph (3) of this subsection; and

12                   (ii)   the motor fuel tax rates effective for the fiscal year beginning on  
13 the following July 1 as determined by the Comptroller under paragraph (4) of this  
14 subsection.

15           (3)    (i)    In this paragraph, “Consumer Price Index for all urban  
16 consumers” means the index published monthly by the Bureau of Labor Statistics of the  
17 U.S. Department of Labor that is the U.S. city average of all items in a basket of consumer  
18 goods and services.

19                   (ii)   The percentage growth in the Consumer Price Index for all urban  
20 consumers shall be determined by comparing the average of the index for the 12 months  
21 ending on the preceding April 30 to the average of the index for the prior 12 months.

22           (4)    Subject to paragraph (5) of this subsection, on July 1 [of each year],  
23 **2013, JULY 1, 2014, JULY 1, 2015, JULY 1, 2016, JULY 1, 2017, JULY 1, 2018, JULY**  
24 **1, 2019, JULY 1, 2020, AND JULY 1, 2021**, each motor fuel tax rate specified in subsection  
25 (a)(2), (3), and (5) of this section shall be increased by the amount, rounded to the nearest  
26 one–tenth of a cent, that equals the product of multiplying:

27                   (i)    the motor fuel tax rate in effect on the date of the Comptroller’s  
28 announcement under paragraph (2) of this subsection; and

29                   (ii)   the percentage growth in the Consumer Price Index for all urban  
30 consumers.

31           (5)    (i)    If there is a decline or no growth in the Consumer Price Index for  
32 all urban consumers, the motor fuel tax rates shall remain unchanged.

33                   (ii)   Any increase in the motor fuel tax rates under paragraph (4) of  
34 this subsection may not be greater than 8% of the motor fuel tax rate effective in the  
35 previous year.

1           (6)     The Comptroller shall require any person possessing tax-paid motor  
2 fuel for sale at the start of business on the date of an increase in the motor fuel tax under  
3 this subsection to compile and file an inventory of the motor fuel held at the close of  
4 business on the immediately preceding date and remit within 30 days any additional motor  
5 fuel tax that is due on the motor fuel.

6           SECTION 2. AND BE IT FURTHER ENACTED, That this Act is an emergency  
7 measure, is necessary for the immediate preservation of the public health or safety, has  
8 been passed by a ye and nay vote supported by three-fifths of all the members elected to  
9 each of the two Houses of the General Assembly, and shall take effect from the date it is  
10 enacted.