BY: Senator Hershey

<u>AMENDMENTS TO SENATE BILL 617</u>
(First Reading File Bill)

AMENDMENT NO. 1

On page 1, strike line 2 in its entirety and substitute "**Transportation – Motor Fuel Tax and Maryland Transit Administration Fare Requirements**"; in line 3, after "of" insert "<u>repealing a requirement that certain motor fuel tax rates be adjusted in future years based on growth in the Consumer Price Index for All Urban Consumers;</u>"; strike beginning with "fare" in line 6 down through "services" in line 7 and substitute "<u>the motor fuel tax</u>"; and after line 7, insert:

"<u>BY repealing and reenacting, with amendments,</u>
<u>Article – Tax – General</u>
<u>Section 9–305</u>
<u>Annotated Code of Maryland</u>
<u>(2022 Replacement Volume)</u>".

AMENDMENT NO. 2

On page 1, after line 19, insert:

"**Article – Tax – General**

<u>9–305.</u>

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

        (1)   <u>7 cents for each gallon of aviation gasoline;</u>

        (2)   <u>23.5 cents for each gallon of gasoline other than aviation gasoline;</u>

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

        (4)   7 cents for each gallon of turbine fuel; and

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

    (b)   (1)   The motor fuel tax rates specified in subsection (a)(2), (3), and (5) of this section shall be increased on July 1, 2013, [and] July 1 [of each subsequent year], 2014, JULY 1, 2015, JULY 1, 2016, JULY 1, 2017, JULY 1, 2018, JULY 1, 2019, JULY 1, 2020, JULY 1, 2021, AND JULY 1, 2022, in accordance with this subsection.

        (2)   On or before June 1 [of each year], 2013, JUNE 1, 2014, JUNE 1, 2015, JUNE 1, 2016, JUNE 1, 2017, JUNE 1, 2018, JUNE 1, 2019, JUNE 1, 2020, JUNE 1, 2021, AND JUNE 1, 2022, the Comptroller shall determine and announce:

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

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

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

            (ii)   The percentage growth in the Consumer Price Index for all

urban consumers shall be determined by comparing the average of the index for the 12 months ending on the preceding April 30 to the average of the index for the prior 12 months.

(4)   Subject to paragraph (5) of this subsection, on July 1 [of each year], 2013, JULY 1, 2014, JULY 1, 2015, JULY 1, 2016, JULY 1, 2017, JULY 1, 2018, JULY 1, 2019, JULY 1, 2020, JULY 1, 2021, AND JULY 1, 2022, each motor fuel tax rate specified in subsection (a)(2), (3), and (5) of this section shall be increased by the amount, rounded to the nearest one–tenth of a cent, that equals the product of multiplying:

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

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

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

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

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