

HOUSE BILL 898

Q5

5lr2808

By: **Delegates Smith and Wells**

Introduced and read first time: January 30, 2025

Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Transportation – Vehicle Excise Tax – Rental Vehicles**

3 FOR the purpose of repealing an exemption for certain rental vehicles from the vehicle
4 excise tax; specifying the rate of the vehicle excise tax imposed on certain rental
5 vehicles; and generally relating to the vehicle excise tax.

6 BY repealing and reenacting, with amendments,
7 Article – Transportation
8 Section 13–809(c) and 13–810(a)(24) and (26)
9 Annotated Code of Maryland
10 (2020 Replacement Volume and 2024 Supplement)

11 BY repealing
12 Article – Transportation
13 Section 13–810(a)(25)
14 Annotated Code of Maryland
15 (2020 Replacement Volume and 2024 Supplement)

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

18 **Article – Transportation**

19 13–809.

20 (c) (1) Except as provided in subsection (b)(2) of this section, the tax imposed
21 by this section is [6 percent]:

22 **(I) EXCEPT AS PROVIDED IN ITEM (II) OF THIS PARAGRAPH, 6%**
23 of the fair market value of the vehicle; **OR**

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 **(II) IN THE CASE OF A RENTAL VEHICLE, 3.5% OF THE FAIR**
2 **MARKET VALUE OF THE VEHICLE.**

3 (2) If the vehicle formerly was a vehicle exempt from the tax imposed by
4 this section, the tax shall be reduced by any amount previously paid by the present owner
5 as a sales and use tax on the vehicle under Title 11 of the Tax – General Article.

6 (3) (i) If the vehicle was formerly titled and registered in another state
7 and the present owner has paid a sales or excise tax to that state at a rate less than that
8 imposed by this State, then the tax imposed shall apply but at a rate measured by the
9 difference only between the tax rate paid to the other state and the tax rate imposed by this
10 section, if the present owner has not been a Maryland resident for more than 60 days.

11 (ii) If the vehicle was formerly titled and registered in another state
12 and the present owner requests to transfer the vehicle in accordance with § 13–810(c)(1) of
13 this subtitle, the Administration shall change or correct the names contained in the
14 certificate of title:

15 1. At the time the excise tax that is credited or imposed
16 under this section is paid and a new title is issued; and

17 2. Without issuing multiple certificates of title or charging
18 additional fees.

19 (iii) Except as provided in subsection (b)(2) of this section, the
20 minimum tax imposed under this section shall be \$100.

21 13–810.

22 (a) On issuance in this State of an original or subsequent certificate of title for a
23 vehicle, the vehicle is exempt from the excise tax imposed by this part, if it is:

24 (24) A vehicle acquired by a religious, charitable, or volunteer organization
25 exempt from taxation under § 501(c) of the Internal Revenue Code, the Department of
26 Human Services, or a local department of social services for the purpose of transferring the
27 vehicle to a Family Investment Program recipient or an individual certified by the
28 Department of Human Services or a local department of social services as eligible for the
29 transfer; **OR**

30 **[(25) A rental vehicle; or]**

31 **[(26) (25)** A vehicle that is transferred to a trust or from a trust to one or
32 more beneficiaries in accordance with § 14.5–1001 of the Estates and Trusts Article.

1 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
2 1, 2025.