

# SENATE BILL 374

Q5, R4

6lr2401  
CF 6lr2653

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By: **Senators Beidle and Hershey**

Introduced and read first time: January 27, 2026

Assigned to: Budget and Taxation

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## A BILL ENTITLED

1 AN ACT concerning

### **Transportation – Rental Cars – Excise Tax Exemption**

3 FOR the purpose of providing an exemption for certain rental vehicles from the vehicle  
4 excise tax; and generally relating to the vehicle excise tax and rental vehicles.

5 BY repealing and reenacting, with amendments,

6 Article – Transportation

7 Section 8–402(b), 13–809(c)(1), and 13–810(a)(24) and (25)

8 Annotated Code of Maryland

9 (2020 Replacement Volume and 2025 Supplement)

10 BY adding to

11 Article – Transportation

12 Section 13–810(a)(26)

13 Annotated Code of Maryland

14 (2020 Replacement Volume and 2025 Supplement)

15 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,

16 That the Laws of Maryland read as follows:

### **Article – Transportation**

18 8–402.

19 (b) All revenues collected from the following, after deductions provided by law,  
20 shall be credited to the Gasoline and Motor Vehicle Revenue Account:

21 (1) All of the motor vehicle fuel tax;

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



(2) Except as otherwise provided by law, two-thirds of the revenue from the vehicle titling tax, excluding revenue attributable to[:]

3 (i) A vehicle titling tax rate in excess of 6%[; or

(3) Except for revenues collected under Title 13, Subtitle 9, Parts III and IV of this article, vehicle registration fees;

13 13-809.

14 (c) (1) Except as provided in subsection (b)(2) of this section, the tax imposed  
15 by this section is[:]

16 (i) Except as provided in item (ii) of this paragraph,] 6.5% of the fair  
17 market value of the vehicle[; or

18 (ii) For a rental vehicle, 3.5% of the fair market value of the vehicle].

19 13-810.

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

(25) A vehicle that is transferred to a trust or from a trust to one or more beneficiaries in accordance with § 14.5–1001 of the Estates and Trusts Article; OR

30 (26) A RENTAL VEHICLE.

1           SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July  
2    1, 2026.