



FREDERICK COUNTY GOVERNMENT
OFFICE OF THE COUNTY EXECUTIVE

Jessica Fitzwater
County Executive

HB 754 – Vehicle Excise Tax – Trade-In Allowance - Repeal

DATE: February 20, 2024
COMMITTEE: House Ways and Means Committee
POSITION: Favorable
FROM: The Office of Frederick County Executive Jessica Fitzwater

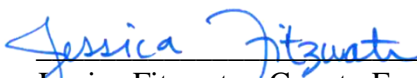
As the County Executive of Frederick County, I urge the committee to give HB 754 – Vehicle Excise Tax – Trade-In Allowance - Repeal a favorable report.

This bill will alter the calculation of the vehicle excise tax by repealing an allowance against the total purchase price of a vehicle for the value of a trade-in vehicle.

Currently, the State of Maryland is facing a tight budget year. The Transportation Trust Fund is facing significant fiscal challenges, and it is crucial that State and local governments work in partnership to prevent this deficit from cutting major safety projects. This is anticipated to continue, leaving many vital projects unfunded. HB 754 allows for a creative solution to funding transportation across the State. By slightly increasing the excise tax for purchasing a new vehicle during a trade-in, the State is working to solve the funding issue without raising taxes on our most vulnerable populations. This bill will not increase the excise tax for trade-ins with the purchase of a pre-owned vehicle.

HB 754 will create additional revenue for the transportation fund which provides funding for vital transportation projects. Without this revenue, there are a number of safety related transportation projects across the State that will likely not receive funding. One of these projects in Frederick County is the US-15 safety improvements construction funding. This transportation funding is vital to increasing the safety and usability of one of the County and State's major highways.

Thank you for your consideration of HB 754. I urge you to advance this bill with a favorable report.



Jessica Fitzwater, County Executive
Frederick County, MD