

SB 557 - VMT - FAV - REALTORS.pdf

Uploaded by: Christa McGee

Position: FAV



Senate Bill 557 – Vehicle-Miles-Traveled Tax and Associated Mandated Devices - Prohibition (Transportation Freedom Act of 2025)

Position: Support

Maryland REALTORS® supports passage of SB 557 which prohibits state and local jurisdictions from imposing a transportation user fee based on vehicle miles traveled.

The real estate industry is very sensitive to tax proposals that impact long term home ownership decisions. Homeowners who select communities to live in based in part on the cost of transportation should not be subject to fundamental changes in taxation that could impact their commuting pattern to work or school and make it unaffordable.

Sadly, with the decline in Maryland's homeownership rate over the last twenty years, and the growing problem of housing affordability, many property owners must "drive to qualify," living far from their jobs to find an affordable home.

At a time when significant percentages of Maryland's workforce are considering leaving the state, additional taxes on necessary transportation may be a deciding factor in their decision to remain in Maryland.

We urge the Committee to adopt a favorable report for SB 557.

**For more information contact
lisa.may@mdrealtor.org or christa.mcgee@mdrealtor.org**

SB 557 – Vehicle-Miles-Traveled Tax and Associated

Uploaded by: Danna Blum

Position: FAV



February 24, 2025

Budget and Taxation Committee
Senator Guy Guzzone
3 West Miller Senate Office Building
Annapolis, Maryland 21401

Re: **SB 557** – Vehicle-Miles-Traveled Tax and Associated Mandated Devices - Prohibition
(Transportation Freedom Act of 2025) - **Support**

Dear Senator Guzzone:

SB 0557 would prohibit a miles-traveled tax in Maryland. This would be a positive move that would block the imposition of another form of taxation and add to the business tax burden.

The Carroll County Chamber of Commerce, a business advocacy organization of nearly 700 members, supports this bill. We therefore request that you give this bill a favorable report.

Sincerely,

Mike McMullin
President
Carroll County Chamber of Commerce

CC: Delegate Chris Tomlinson
Senator Justin Ready

SB557VehicleMilesTraveled.pdf

Uploaded by: Justin Ready

Position: FAV

JUSTIN READY
Legislative District 5
Carroll County

MINORITY WHIP
Finance Committee



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THE SENATE OF MARYLAND
ANNAPOLIS, MARYLAND 21401

March 6, 2025

**SB 557 – Vehicle-Miles-Traveled Tax and Associated Mandated Devices – Prohibition
(Transportation Freedom Act of 2025)**

Chairman Guzzone, Vice Chair Rosapepe and members of the Budget & Tax Committee:

Senate Bill 557 seeks to prohibit the State or a local jurisdiction from imposing or levying a vehicle-miles-traveled tax or other similar fee, toll, or tax.

Due to the introduction of hybrid, electric, and more fuel-efficient vehicles, many states across the country, including our own, along with other I-95 corridor states, have been exploring other alternatives. A prominent alternative is a per-mile tax.

There are several concerns that should be associated with this proposal. The 4th Amendment of U.S. Constitution guarantees our right to privacy from unwarranted government intervention. In order to tax citizens per mile, the state must track their mileage. Additionally, if a tax like this were to be enacted on top of what is already one of the highest gas taxes in the country, it would be a crippling “commuter tax” on many of those who could least afford it – the working poor and middle class in outlying areas.

The disparity between rural and urban drivers is also a major concern. Rural residents would have to drive much farther than their urban counterparts and will therefore be taxed more.

I respectfully request a **favorable** vote on Senate Bill 557.

SB 557_MTBMA_UNF.pdf

Uploaded by: Michael Sakata

Position: UNF



March 6th, 2025

Senator Guy Guzzone, Chair
Senate Budget and Taxation Committee
3 West, Miller Senate Office Building
Annapolis, Maryland 21401

**RE: SB 557 – UNFAVORABLE– Vehicle-Miles-Traveled Tax and Associated Mandated Devices
- Prohibition (Transportation Freedom Act of 2025)**

Dear Chair Guzzone and Members of the Committee:

The Maryland Transportation Builders and Materials Association (“MTBMA”) has been and continues to serve as the voice for Maryland’s construction transportation industry since 1932. Our association is comprised of 200 members. MTBMA encourages, develops, and protects the prestige of the transportation construction and materials industry in Maryland by establishing and maintaining respected relationships with federal, state, and local public officials. We proactively work with regulatory agencies and governing bodies to represent the interests of the transportation industry and advocate for adequate state and federal funding for Maryland’s multimodal transportation system.

Senate Bill 557, the Transportation Freedom Act of 2025, prohibits the State of Maryland and local jurisdictions from imposing a Vehicle-Miles-Traveled (VMT) tax. The bill prohibits mileage-based user fees or other similar fees, tolls, or taxes. This bill would also prevent the State or local jurisdictions from requiring the installation of a device in or on a privately owned vehicle, ensuring that no law could mandate installing devices to monitor vehicle miles traveled.

We urge an unfavorable report on SB 557, as it hampers the state's ability to address both current and future challenges within the Transportation Trust Fund. Maryland’s transportation funding structure is at a critical crossroads, and organizations like MTBMA cannot support legislation that removes potential alternative revenue sources essential for maintaining and improving our transportation infrastructure. By restricting viable funding options to replace the gas tax for road construction and maintenance, this bill threatens the sustainability and growth of our industry—and Maryland’s economy as a whole.

We appreciate you taking the time to consider our request for an **UNFAVORABLE** report on SB 557.

Thank you,

A handwritten signature in black ink, appearing to read "Michael Sakata", written over a white background.

Michael Sakata
President and CEO
Maryland Transportation Builders and Materials Association

MGA 2025 Testimony Bill SB0557 (VMT Tax - Prohibit

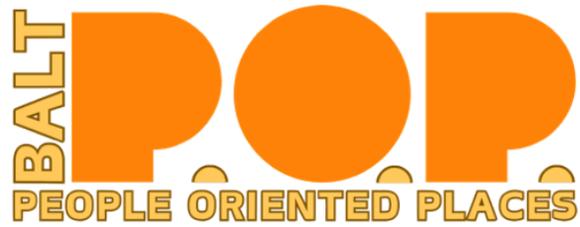
Uploaded by: Michael Scepaniak

Position: UNF

Bill: SB0557

Bill Title: Vehicle-Miles-Traveled Tax and
Associated Mandated Devices - Prohibition
(Transportation Freedom Act of 2025)

Position: **Unfavorable**



Members of the Senate Budget and Taxation Committee,

As a group which views automobile-centric transportation and land use as begetting a fiscally-unsustainable and people-hostile development pattern, we oppose SB0557.

For a very long time, we have levied a tax on gasoline as a way to pay for our transportation system. This has served as a very simple, usage-based mechanism for users of the system to pay for the wear and tear they place on our roadways.

However, as adoption of electric automobiles increases, gasoline usage no longer serves as a catch-all measure of people's usage. Gasoline consumption has always served as an easy-to-tax proxy for vehicle miles traveled (VMT). As technology advances and becomes more deeply embedded in our daily habits, it becomes increasingly possible and acceptable to simply shift to directly measuring and taxing VMT.

If gasoline consumption has always been an acceptable proxy for VMT, and taxing that consumption has always been an acceptable stand-in for taxing (up to this point difficult-to-track) VMT, we don't see why the option of directly taxing VMT should be off the table.

We hope the committee finds these points helpful and convincing and we urge its members to **vote against SB0557**. Thank you for your efforts and the opportunity for us to testify on this legislation.

[BaltPOP - Baltimoreans for People-Oriented Places](#)

SB 557_MAA_UNF.pdf

Uploaded by: Tim Smith

Position: UNF

CHAIRMAN:
David Slaughter
VICE CHAIRMAN
Paul Bramble

MARYLAND ASPHALT ASSOCIATION



TREASURER:
Curtis Hall
SECRETARY:
Nathan Scrivener
PRESIDENT:
Tim Smith

March 6th, 2025

Senator Guy Guzzone, Chair
Senate Budget and Taxation Committee
3 West, Miller Senate Office Building
Annapolis, Maryland 21401

**RE: SB 557 – UNFAVORABLE– Vehicle-Miles-Traveled Tax and Associated Mandated Devices
- Prohibition (Transportation Freedom Act of 2025)**

Dear Chair Guzzone and Members of the Committee:

The Maryland Asphalt Association (MAA) represents approximately 120 members, including 20 material producers and 100 contractors, engineering firms, and associate members, supporting a 7,000-person workforce. MAA actively collaborates with regulatory agencies to advocate for the asphalt industry, ensuring fair regulations at both the state and federal levels. Additionally, we support adequate funding for Maryland's multimodal transportation system.

Senate Bill 557, the Transportation Freedom Act of 2025, prohibits the State of Maryland and local jurisdictions from imposing a Vehicle-Miles-Traveled (VMT) tax. The bill prohibits mileage-based user fees or other similar fees, tolls, or taxes. This bill would also prevent the State or local jurisdictions from requiring the installation of a device in or on a privately owned vehicle, ensuring that no law could mandate installing devices to monitor vehicle miles traveled.

We urge an unfavorable report on SB 557, as it hampers the state's ability to address both current and future challenges within the Transportation Trust Fund. Maryland's transportation funding structure is at a critical crossroads, and organizations like MAA cannot support legislation that removes potential alternative revenue sources essential for maintaining and improving our transportation infrastructure. By restricting viable funding options to replace the gas tax for road construction and maintenance, this bill threatens the sustainability and growth of our industry—and Maryland's economy as a whole.

We appreciate you taking the time to consider our request for an **UNFAVORABLE** report on SB 557.

Thank you,

A handwritten signature in black ink that reads "Tim Smith".

Tim Smith, P.E.
President
Maryland Asphalt Association

SB0557 - TSO - LOI - VMT Prohibition.pdf

Uploaded by: Patricia Westervelt

Position: INFO

March 6, 2025

The Honorable Guy Guzzone
Senate Budget and Taxation Committee
3 West Miller Senate Office Building
Annapolis, MD 21401

RE: Letter of Information – Senate Bill 557 – Vehicle-Miles-Traveled Tax and Associated Mandated Devices - Prohibition (Transportation Freedom Act of 2025)

Dear Chair Guzzone and Committee Members,

The Maryland Department of Transportation (MDOT) takes no position on Senate Bill 557 and offers the following information for the Committee’s consideration.

SB 557 would prohibit the State or a local jurisdiction from imposing or levying a vehicle-miles-traveled tax or other similar fees, tolls, or taxes; and would prohibit the State or a local jurisdiction from requiring the installation of a device in or on a privately owned vehicle to facilitate the reporting of vehicle miles traveled.

Across the transportation industry, mileage-based user fees are seen as a potential future replacement for the motor fuel tax as motor fuel tax revenues continue to decline due to the increased fuel efficiency of internal combustion engine vehicles and the growing market share of electric vehicles. While the State has no immediate plans to move toward a mileage-based user fee at this time, any outright prohibition on mileage-based user fees may limit options for the future. Mileage-based user fees are also under consideration at the national level as a future replacement for the federal gas tax. Thus, any prohibitions on implementation of mileage-based user fees may have implications for the future of both federal and state transportation revenues.

Motor carriers that operate vehicles traveling through Maryland are required by the International Fuel Tax Association (IFTA) to pay the equivalent Maryland motor carrier tax based on the number of miles traveled in Maryland, regardless of whether they purchase motor fuel in the State. Maryland is a participant in the International Registration Protocol agreement where registration fees are shared proportional to the amount of miles traveled within a state for interstate trucking. The Motor Vehicle Administration (MVA) helps administer this interstate mileage-based revenue sharing agreement. While HB 1008 expressly prohibits a vehicle-miles-traveled tax or mileage-based user fee, the MVA does not view this bill as having an effect on that reciprocal interstate agreement as it explicitly allows for this under Article - General Tax, § 9-205.

The Honorable Guy Guzzone
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The Maryland Department of Transportation respectfully requests that the Committee consider this information when deliberating Senate Bill 557.

Respectfully submitted,

Matt Mickler
Director of Government Affairs
Maryland Department of Transportation
410-865-1090