



**Testimony to the Ways & Means Committee**  
**HB898 -- Transportation -- Vehicle Excise Tax -- Rental Vehicles**  
**Position: Unfavorable**

February 14, 2025

The Honorable Vanessa Atterbeary  
Ways & Means Committee  
Taylor House Office Building, Room 130  
6 Bladen St., Annapolis, MD 21401  
cc: Members, Ways & Means Committee

**Dear Chairman Davis and Committee Members,**

I am testifying in opposition to HB898 to tax rental and loaner cars before they are even sold to the general public and taxed a second time.

I represent Fitzgerald Auto Mall with over 1300 employees in the state of Maryland. Combined, Maryland car dealers have 23,495 jobs (NADA). This bill adds additional costs to dealerships and rental car companies who are trying to take care of our customers

In 1998 the Honorable Sheila Hixson and Governor Glendenning saw that taxing rental vehicles twice was not in the best interest of Maryland Consumers. Today, that remains true. Dealerships register short term rental vehicles for use as loaner vehicles while customers are having their vehicles serviced. This could result in fewer loaner vehicles because of the additional burden this puts on dealerships who are trying to meet the demands of customers. Dealers pay the normal fee of \$100 when the vehicle goes into service in accordance with the law noted on

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

As an alternative, the legislature might consider raising this minimum to \$150 or \$200.

Loaner cars are ultimately taken out of the fleet and sold brought to the used car lot after between 90 days and six months of use, at which time excise taxes are collected at the time of sale.

Thank you for your consideration.

Rob Smith  
President  
JJF Management/Fitzgerald Auto Malls