

# HB898 Excise vs Car Rental Tax

NextCar of Maryland  
Michael DeLorenzo

	A	B	C	D	E	F	G	H	I	J	K
1	<b>John Q. Public purchases a new car every 6 years</b>						<b>Rental Company purchases a new car every 1.5 years</b>				
2	New Vehicle	Purchase Price	<u>Trade-In Credit</u>	Taxable Price	<u>Excise Tax</u> Paid - 6%		New Vehicle	Purchase Price	<u>Trade-In Credit</u>	Taxable Price	<u>Excise Tax</u> Paid - 6%
3	2025 Toyota Camry LE	\$30,234		\$14,834	<b>\$890</b>		2025 Toyota Camry LE	\$25,250		\$3,050	<b>\$0.00</b>
4	2019 Toyota Camry LE		<u>(\$15,400)</u>				2023 Toyota Camry LE		<u>(\$22,200)</u>		Exempt
5							2023 Toyota Camry LE	\$25,250		\$3,050	<b>\$0.00</b>
6							2021 Toyota Camry LE		<u>(\$22,200)</u>		Exempt
7	<b><u>6 Years of Tax Generated by Each Car</u></b>						2021 Toyota Camry LE	\$25,250		\$3,050	<b>\$0.00</b>
8							2019 Toyota Camry LE		<u>(\$22,200)</u>		Exempt
9											
10											
11	<b>Adjacent States - Tax on Car Rental Services</b>										
12	<b>Maryland - 11.50 % Tax</b>										
13	<b>Washington D.C.- 10.25 % Tax</b>										
14	<b>Virginia - 10.00 % Tax</b>										
15	<b>Pennsylvania - 8.00 % Tax Plus \$2.00 per day</b>										
16	<b>West Virginia - 6.00 % Tax Plus \$1.00 per day</b>										
17	<b>Delaware - 1.9914% Tax</b>										
18											
19											
20											
21											
22											

2	Car Rental Tax	Per Car Monthly Revenue	Per Car Annual Tax
	<b>11.5%</b>		
	Year 1	\$1,400	\$1,932
	Year 2	\$1,300	\$1,794
	Year 3	\$1,200	\$1,656
	Year 4	\$1,100	\$1,518
	Year 5	\$1,000	\$1,380
	Year 6	\$900	\$1,242

3	<b><u>6 Years of Tax Generated by Each Car</u></b>	<b><u>\$9,522</u></b>
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4	Car Rental Tax Generates a <b>10.7</b> times multiple of John Q Public's Excise Tax
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5	<b><u>PLUS</u> - Car Rental creates 3 affordable used cars. Used car buyers will pay additional Excise Taxes in MD.</b>
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