



Hon. Jheanelle Wilkins  
Ways and Means Committee  
130 Taylor House Office Building  
Annapolis, Maryland 21401

**RE: HB585/SB374 — Transportation - Rental Cars - Excise Tax Exemption**  
**Position: Informational**

The Maryland Chapter of the American Council of Engineering Companies (ACEC/MD) represents Maryland's private-sector engineering firms that design and deliver the transportation, water, environmental, and public works infrastructure that local governments and the State rely upon every day.

On behalf of ACEC/MD, thank you for the opportunity to provide information on HB585/SB374, which would exempt rental vehicles from the vehicle excise tax and make conforming changes to the allocation of titling tax revenues to the Gasoline and Motor Vehicle Revenue Account and the Transportation Trust Fund (TTF).

We are agnostic as to the specific policy choice the General Assembly makes regarding the source of revenues deposited into the Transportation Trust Fund, including whether or not to provide an excise tax exemption for rental vehicles. However, we respectfully note that any reduction in titling or related transportation revenues will require backfilling from another revenue source if the State is to maintain current commitments to system preservation, safety improvements, and ongoing capital projects on Maryland's roads and bridges.

The projects supported by the Transportation Trust Fund include routine maintenance, safety enhancements, and state and local roadway improvements that directly impact driver safety, congestion, and economic competitiveness. If revenues associated with the rental vehicle excise tax are reduced or eliminated, the State will need to identify alternative, sustainable funding—whether within the transportation revenue structure or from the General Fund—to avoid deferring critical safety and state-of-good-repair investments.

We therefore encourage the Committee, in considering this bill, to pair any excise tax exemption with a clear plan to replace the affected revenues, so that Maryland can continue to meet its obligations to maintain safe, reliable, and well-maintained transportation infrastructure statewide.

Thank you for your consideration of this information. We stand ready to serve as a resource as the Committee continues to evaluate options for maintaining a stable and predictable



AMERICAN COUNCIL OF ENGINEERING COMPANIES/MARYLAND

Transportation Trust Fund.

Respectfully,

*Maria K. Donovan*

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ACEC/MD