

HOUSE BILL 1059

Q5

1lr1803

By: **Delegates Kaiser, Feldman, Healey, and Hucker**

Introduced and read first time: February 11, 2011

Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Motor Fuel Tax – Rate Increase and Distribution of Revenues**

3 FOR the purpose of altering the motor fuel tax rates for certain motor fuels; providing
4 for certain increases in the motor fuel tax rates for certain motor fuel for certain
5 periods; requiring that certain revenues from certain motor fuel tax rates be
6 distributed to the General Fund for certain fiscal years; providing for the
7 payment of certain motor fuel taxes on certain tax–paid motor fuel as of certain
8 dates; and generally relating to the motor fuel tax.

9 BY repealing and reenacting, with amendments,
10 Article – Tax – General
11 Section 2–1103 and 9–305
12 Annotated Code of Maryland
13 (2010 Replacement Volume)

14 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
15 MARYLAND, That the Laws of Maryland read as follows:

16 **Article – Tax – General**

17 2–1103.

18 (A) [After] **EXCEPT AS PROVIDED IN SUBSECTION (B) OF THIS SECTION,**
19 **AFTER** making the distributions required under §§ 2–1101 and 2–1102 of this subtitle,
20 the Comptroller shall distribute:

21 (1) the remaining motor fuel tax revenue from aviation fuel to the
22 Transportation Trust Fund; and

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (2) all remaining motor fuel tax revenue, equal to the average
2 percentage by which the motor fuel tax rate exceeds 18.5 cents per gallon, to the
3 Gasoline and Motor Vehicle Revenue Account in the Transportation Trust Fund.

4 (B) FOR FISCAL YEARS 2012 AND 2013 ONLY, FROM THE REVENUE
5 DESCRIBED IN SUBSECTION (A)(2) OF THIS SECTION, BEFORE MAKING THE
6 DISTRIBUTION REQUIRED UNDER SUBSECTION (A)(2) OF THIS SECTION, THE
7 COMPTROLLER SHALL DISTRIBUTE TO THE GENERAL FUND AN AMOUNT EQUAL
8 TO THE MOTOR FUEL TAX REVENUE EQUAL TO 10 CENTS PER GALLON FROM
9 THE MOTOR FUEL TAX ON MOTOR FUELS OTHER THAN AVIATION GASOLINE OR
10 TURBINE FUEL SPECIFIED UNDER § 9-305(A)(2), (3), AND (5) OF THIS ARTICLE.

11 9-305.

12 (A) [The] SUBJECT TO SUBSECTION (B) OF THIS SECTION, THE motor fuel
13 tax rate is:

14 (1) 7 cents for each gallon of aviation gasoline;

15 (2) [23.5] 33.5 cents for each gallon of gasoline other than aviation
16 gasoline;

17 (3) [24.25] 34.25 cents for each gallon of special fuel other than
18 clean-burning fuel or turbine fuel;

19 (4) 7 cents for each gallon of turbine fuel; and

20 (5) [23.5] 33.5 cents for each gasoline-equivalent gallon of
21 clean-burning fuel except electricity.

22 (B) (1) THE MOTOR FUEL TAX RATE SPECIFIED IN SUBSECTION
23 (A)(2), (3), AND (5) OF THIS SECTION FOR MOTOR FUELS OTHER THAN AVIATION
24 GASOLINE OR TURBINE FUEL SHALL BE INCREASED ON JANUARY 1 AND JULY 1
25 OF EACH YEAR IN 2012 AND 2013, AND ON JANUARY 1, 2014, BY 2 CENTS PER
26 GALLON OVER THE RATES IN EFFECT ON DECEMBER 31 OR JUNE 30
27 PRECEDING THE DATE OF THE INCREASE.

28 (2) THE COMPTROLLER SHALL REQUIRE ANY PERSON
29 POSSESSING TAX-PAID MOTOR FUEL FOR SALE AT THE START OF BUSINESS ON
30 THE DATE OF ANY INCREASE IN THE MOTOR FUEL TAX UNDER THIS SUBSECTION
31 TO COMPILE AND FILE AN INVENTORY OF THE MOTOR FUEL HELD AT THE CLOSE
32 OF BUSINESS ON THE PRECEDING DATE AND REMIT WITHIN 30 DAYS ANY
33 ADDITIONAL MOTOR FUEL TAX THAT IS DUE ON THE MOTOR FUEL.

1 SECTION 2. AND BE IT FURTHER ENACTED, That each person holding
2 tax-paid motor fuel for sale at the start of business on July 1, 2011, shall compile and
3 file an inventory of the motor fuel held at the close of business on June 30, 2011, and
4 remit within 30 days any additional motor fuel tax that is due on the motor fuel.

5 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect
6 July 1, 2011.