

SENATE BILL 737

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EMERGENCY BILL

2lr2415
CF 2lr2417

By: **Senators Simonaire, Bailey, and Ready**

Introduced and read first time: February 7, 2022

Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **Cost of Living Assistance Act of 2022**

3 FOR the purpose of altering the motor fuel tax rate; and generally relating to the motor
4 fuel tax.

5 BY repealing and reenacting, without amendments,
6 Article – Tax – General
7 Section 9–305
8 Annotated Code of Maryland
9 (2016 Replacement Volume and 2021 Supplement)

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

12 **Article – Tax – General**

13 9–305.

14 (a) Except as provided in subsection (b) of this section, the motor fuel tax rate is:

15 (1) 7 cents for each gallon of aviation gasoline;

16 (2) 23.5 cents for each gallon of gasoline other than aviation gasoline;

17 (3) 24.25 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 cents for each gasoline–equivalent gallon of clean–burning fuel
21 except electricity.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (b) (1) The motor fuel tax rates specified in subsection (a)(2), (3), and (5) of this
2 section shall be increased on July 1, 2013, and July 1 of each subsequent year in accordance
3 with this subsection.

4 (2) On or before June 1 of each year, the Comptroller shall determine and
5 announce:

6 (i) the growth in the Consumer Price Index for all urban consumers
7 as determined by the Comptroller under paragraph (3) of this subsection; and

8 (ii) the motor fuel tax rates effective for the fiscal year beginning on
9 the following July 1 as determined by the Comptroller under paragraph (4) of this
10 subsection.

11 (3) (i) In this paragraph, “Consumer Price Index for all urban
12 consumers” means the index published monthly by the Bureau of Labor Statistics of the
13 U.S. Department of Labor that is the U.S. city average of all items in a basket of consumer
14 goods and services.

15 (ii) The percentage growth in the Consumer Price Index for all urban
16 consumers shall be determined by comparing the average of the index for the 12 months
17 ending on the preceding April 30 to the average of the index for the prior 12 months.

18 (4) Subject to paragraph (5) of this subsection, on July 1 of each year, each
19 motor fuel tax rate specified in subsection (a)(2), (3), and (5) of this section shall be
20 increased by the amount, rounded to the nearest one-tenth of a cent, that equals the
21 product of multiplying:

22 (i) the motor fuel tax rate in effect on the date of the Comptroller’s
23 announcement under paragraph (2) of this subsection; and

24 (ii) the percentage growth in the Consumer Price Index for all urban
25 consumers.

26 (5) (i) If there is a decline or no growth in the Consumer Price Index for
27 all urban consumers, the motor fuel tax rates shall remain unchanged.

28 (ii) Any increase in the motor fuel tax rates under paragraph (4) of
29 this subsection may not be greater than 8% of the motor fuel tax rate effective in the
30 previous year.

31 (6) The Comptroller shall require any person possessing tax-paid motor
32 fuel for sale at the start of business on the date of an increase in the motor fuel tax under
33 this subsection to compile and file an inventory of the motor fuel held at the close of
34 business on the immediately preceding date and remit within 30 days any additional motor
35 fuel tax that is due on the motor fuel.

1 SECTION 2. AND BE IT FURTHER ENACTED, That:

2 (a) Notwithstanding § 9–305(b) of the Tax – General Article, the motor fuel tax
3 rates in effect on July 1, 2021, under § 9–305(a)(2), (3), and (5) of the Tax – General Article
4 shall remain unchanged until the end of June 30, 2024.

5 (b) On July 1, 2024, and July 1 of each subsequent year, the motor fuel tax rates
6 under § 9–305(a)(2), (3), and (5) of the Tax – General Article in effect during the preceding
7 3 years under subsection (a) of this section shall be adjusted in accordance with § 9–305(b)
8 of the Tax – General Article.

9 (c) On or before June 1, 2024, and June 1 of each subsequent year, the
10 Comptroller shall make the determination and announcement required under § 9–305(b)(2)
11 of the Tax – General Article.

12 SECTION 3. AND BE IT FURTHER ENACTED, That this Act is an emergency
13 measure, is necessary for the immediate preservation of the public health or safety, has
14 been passed by a ye and nay vote supported by three–fifths of all the members elected to
15 each of the two Houses of the General Assembly, and shall take effect from the date it is
16 enacted.