

HOUSE BILL 523

Q4, Q5, R2

(3lr1904)

ENROLLED BILL

— *Environmental Matters/Budget and Taxation* —

Introduced by **Delegates Myers, Afzali, Boteler, Hogan, Jacobs, Krebs, McComas, McConkey, W. Miller, Norman, Otto, Schulz, Serafini, Smigiel, and Stocksdale**

Read and Examined by Proofreaders:

Proofreader.

Proofreader.

Sealed with the Great Seal and presented to the Governor, for his approval this _____ day of _____ at _____ o'clock, _____ M.

Speaker.

CHAPTER _____

1 AN ACT concerning

2 **Short-Term Rental of Motorcycles – *Sales and Use Tax and Motor Vehicle***
3 ***Law***

4 FOR the purpose of including certain motorcycles in the definition of “short-term
5 vehicle rental” for purposes of determining the sales and use tax rate for certain
6 vehicle rentals; including certain motorcycles in the definition of “rental vehicle”
7 for purposes of the Motor Vehicle Law; and generally relating to the sales and
8 use tax rate and certain Motor Vehicle Law provisions relating to certain
9 motorcycle rentals.

10 BY repealing and reenacting, with amendments,
11 Article – Tax – General
12 Section 11–104(c)

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.

Italics indicate opposite chamber/conference committee amendments.



1 Annotated Code of Maryland
2 (2010 Replacement Volume and 2012 Supplement)

3 BY repealing and reenacting, with amendments,
4 Article – Transportation
5 Section 11–148.1(a) and 13–939.1
6 Annotated Code of Maryland
7 (2012 Replacement Volume)

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

10 **Article – Tax – General**

11 11–104.

12 (c) (1) In this subsection:

13 (i) “short–term vehicle rental” means a rental of a passenger
14 car, as defined in § 11–144.1 of the Transportation Article, or a vehicle that may be
15 registered as a Class **D**, **E**, **F**, **G**, or **M** vehicle under Title 13, Subtitle 9 of the
16 Transportation Article, for a period of 180 days or less under the following terms:

17 1. the vendor does not provide a driver for the vehicle as
18 a part of the rental; and

19 2. if the vehicle is a passenger car, as defined in §
20 11–144.1 of the Transportation Article, [or] a multipurpose passenger vehicle, **OR A**
21 **MOTORCYCLE**, the vehicle is not to be used to transport individuals or property for
22 hire; and

23 (ii) “short–term vehicle rental” does not include a rental of:

24 1. a dump truck, as described in § 13–919 of the
25 Transportation Article;

26 2. a tow truck, as described in § 13–920 of the
27 Transportation Article; or

28 3. a farm vehicle exempt from the sales and use tax
29 under § 11–201(a) of this title.

30 (2) The sales and use tax rate for a short–term vehicle rental for a
31 taxable price of \$2 or more is:

1 (i) if the vehicle is a passenger car [or], a multipurpose
2 passenger vehicle, **OR A MOTORCYCLE:**

3 1. 23 cents for each exact multiple of \$2; and

4 2. for that part of \$2 in excess of an exact multiple of \$2:

5 A. 1 cent if the excess over an exact multiple of \$2 is at
6 least 1 cent but less than 9 cents;

7 B. 2 cents if the excess over an exact multiple of \$2 is at
8 least 9 cents but less than 18 cents;

9 C. 3 cents if the excess over an exact multiple of \$2 is at
10 least 18 cents but less than 27 cents;

11 D. 4 cents if the excess over an exact multiple of \$2 is at
12 least 27 cents but less than 35 cents;

13 E. 5 cents if the excess over an exact multiple of \$2 is at
14 least 35 cents but less than 44 cents;

15 F. 6 cents if the excess over an exact multiple of \$2 is at
16 least 44 cents but less than 53 cents;

17 G. 7 cents if the excess over an exact multiple of \$2 is at
18 least 53 cents but less than 61 cents;

19 H. 8 cents if the excess over an exact multiple of \$2 is at
20 least 61 cents but less than 70 cents;

21 I. 9 cents if the excess over an exact multiple of \$2 is at
22 least 70 cents but less than 79 cents;

23 J. 10 cents if the excess over an exact multiple of \$2 is at
24 least 79 cents but less than 87 cents;

25 K. 11 cents if the excess over an exact multiple of \$2 is at
26 least 87 cents but less than 96 cents;

27 L. 12 cents if the excess over an exact multiple of \$2 is at
28 least 96 cents but less than \$1.05;

29 M. 13 cents if the excess over an exact multiple of \$2 is at
30 least \$1.05 but less than \$1.14;

- 1 N. 14 cents if the excess over an exact multiple of \$2 is at
2 least \$1.14 but less than \$1.22;
- 3 O. 15 cents if the excess over an exact multiple of \$2 is at
4 least \$1.22 but less than \$1.31;
- 5 P. 16 cents if the excess over an exact multiple of \$2 is at
6 least \$1.31 but less than \$1.40;
- 7 Q. 17 cents if the excess over an exact multiple of \$2 is at
8 least \$1.40 but less than \$1.48;
- 9 R. 18 cents if the excess over an exact multiple of \$2 is at
10 least \$1.48 but less than \$1.57;
- 11 S. 19 cents if the excess over an exact multiple of \$2 is at
12 least \$1.57 but less than \$1.66;
- 13 T. 20 cents if the excess over an exact multiple of \$2 is at
14 least \$1.66 but less than \$1.74;
- 15 U. 21 cents if the excess over an exact multiple of \$2 is at
16 least \$1.74 but less than \$1.83;
- 17 V. 22 cents if the excess over an exact multiple of \$2 is at
18 least \$1.83 but less than \$1.92; and
- 19 W. 23 cents if the excess over an exact multiple of \$2 is at
20 least \$1.92 but less than \$2.00; or
- 21 (ii) if the vehicle is a vehicle that may be registered as a Class
22 E, F, or G vehicle under Title 13, Subtitle 9 of the Transportation Article:
- 23 1. 8 cents for each exact dollar; and
- 24 2. 2 cents for each 25 cents or part of 25 cents in excess
25 of an exact dollar.

- 26 **Article – Transportation**
- 27 11–148.1.
- 28 (a) “Rental vehicle” means a passenger car or a vehicle that may be
29 registered as a Class **D, E, F, G,** or **M** vehicle under Title 13, Subtitle 9 of this article:
- 30 (1) That is acquired solely for rental purposes but will not be rented to
31 the same person for a period of more than 180 consecutive days;

1 (2) (i) That, at the time of purchase, is part of a fleet of passenger
2 cars owned by the same person, at least five of which meet the criteria in item (1) of
3 this subsection;

4 (ii) That, at the time of purchase, is part of a fleet of rental
5 trucks owned by the same person, at least five of which meet the criteria in item (1) of
6 this subsection; [or]

7 (iii) That, at the time of purchase, is part of a fleet of
8 multipurpose passenger vehicles owned by the same person, at least five of which meet
9 the criteria in item (1) of this subsection; **OR**

10 **(IV) THAT, AT THE TIME OF PURCHASE, IS PART OF A FLEET**
11 **OF MOTORCYCLES OWNED BY THE SAME PERSON, AT LEAST FIVE OF WHICH**
12 **MEET THE CRITERIA IN ITEM (1) OF THIS SUBSECTION;**

13 (3) For which the owner does not provide a driver; and

14 (4) That, if the vehicle is a passenger car or multipurpose passenger
15 vehicle, will not be used to transport individuals or property for hire.

16 13-939.1.

17 Notwithstanding any other provision of this subtitle, for a rental vehicle as
18 defined in § 11-148.1 of this article, the annual registration fee is:

19 (1) For a Class A (passenger) vehicle with a manufacturer's shipping
20 weight of:

21 (i) 3,700 pounds or less – \$27.00; and

22 (ii) More than 3,700 pounds – \$40.50;

23 **(2) FOR A CLASS D (MOTORCYCLE) VEHICLE, THE AMOUNT**
24 **SPECIFIED IN § 13-915 OF THIS SUBTITLE;**

25 **[(2)] (3)** For a Class E (truck) vehicle with a manufacturer's rated
26 capacity of 3/4 ton or less and a maximum gross vehicle weight of 7,000 pounds or less
27 – \$33.75;

28 **[(3)] (4)** Notwithstanding item **[(2)] (3)** of this section, for a Class E
29 (truck) vehicle:

30	Maximum Gross Weight	Fee (per 1,000 Pounds
31	Limit (in Pounds)	or Fraction Thereof)

1	10,000 (minimum) – 18,000	\$ 4.75
2	18,001 – 26,000	7.50
3	26,001 – 40,000	8.50
4	40,001 – 60,000	10.50
5	60,001 – 80,000 (maximum)	11.75;

6 **[(4)] (5)** For a Class F (tractor) vehicle based on the maximum gross
7 weight of the vehicle in combination with a trailer or semitrailer as follows:

8	Maximum Gross Weight	Fee (per 1,000 Pounds
9	Limit (in Pounds)	or Fraction Thereof)
10	40,000 (minimum) – 60,000	\$ 14.50
11	60,001 – 80,000 or more	16.00;

12 **[(5)] (6)** For a Class G (trailer) vehicle based on the maximum gross
13 weight as follows:

14 (i) For a nonfreight trailer or semitrailer:

15	Maximum Gross Weight	Fee
16	Limit (in Pounds)	
17	3,000 or less	\$ 13.50
18	3,001 – 5,000	27.00
19	5,001 – 10,000	47.25
20	10,001 – 20,000	81.00; and

21 (ii) For a freight trailer or semitrailer – \$20.25; and

22 **[(6)] (7)** For a Class M (multipurpose) vehicle with a manufacturer's
23 shipping weight of:

24 (i) 3,700 pounds or less – \$27.00; and

25 (ii) More than 3,700 pounds – \$40.50.

26 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
27 July 1, 2013.