

# SENATE BILL 451

M1, Q7

3lr0448  
CF HB 412

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By: **Senator Astle**

Introduced and read first time: January 30, 2013

Assigned to: Budget and Taxation

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## A BILL ENTITLED

1 AN ACT concerning

2 **Vessel Excise Tax – Exemption for Commercial Enterprises Paying the**  
3 **Admissions and Amusement Tax**

4 FOR the purpose of providing an exemption from the vessel excise tax for the purchase  
5 of a vessel by certain commercial enterprises if the use of the vessel will require  
6 the payment of at least a certain amount of admissions and amusement tax;  
7 requiring the Department of Natural Resources to adopt certain regulations;  
8 requiring the Department to report to the Governor and General Assembly on or  
9 before a certain date each year; providing for the application of this Act; and  
10 generally relating to the vessel excise tax.

11 BY repealing and reenacting, with amendments,  
12 Article – Natural Resources  
13 Section 8–716(e)(12) and (13)  
14 Annotated Code of Maryland  
15 (2012 Replacement Volume)

16 BY adding to  
17 Article – Natural Resources  
18 Section 8–716(e)(14) and (j)  
19 Annotated Code of Maryland  
20 (2012 Replacement Volume)

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

23 **Article – Natural Resources**

24 8–716.

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (e) A person is not required to pay the tax provided for in subsection (c) of  
2 this section resulting from:

3 (12) The possession within the State of a vessel for a period of not more  
4 than one year if the current owner is a member of the armed services and is serving on  
5 active duty in this State; [or]

6 (13) The sale of a vessel within the State if:

7 (i) The vessel is purchased from a licensed dealer;

8 (ii) The issuance of a title is not sought or required;

9 (iii) The vessel is not used or to be used principally on the waters  
10 of this State;

11 (iv) The vessel is duly registered in another jurisdiction within  
12 30 days of the date of purchase; and

13 (v) The dealer and the purchaser execute an agreement  
14 certifying the state of principal use for the vessel which is filed with the Department  
15 within 30 days of the date of purchase; **OR**

16 **(14) THE PURCHASE OF A VESSEL BY A COMMERCIAL ENTERPRISE**  
17 **IF:**

18 **(I) THE USE OF THE VESSEL WILL BE SUBJECT TO THE**  
19 **ADMISSIONS AND AMUSEMENT TAX AUTHORIZED UNDER § 4-102 OF THE TAX -**  
20 **GENERAL ARTICLE; AND**

21 **(II) THE AMOUNT OF ADMISSIONS AND AMUSEMENT TAX**  
22 **PAID DURING THE FIRST YEAR THE VESSEL IS IN SERVICE IS AT LEAST 50% OF**  
23 **THE VALUE OF THE EXEMPTION UNDER THIS ITEM.**

24 **(J) (1) FOR PURPOSES OF THE EXEMPTION UNDER SUBSECTION**  
25 **(E)(14) OF THIS SECTION, THE DEPARTMENT SHALL ADOPT REGULATIONS TO**  
26 **ADMINISTER THE EXEMPTION.**

27 **(2) THE REGULATIONS ADOPTED UNDER THIS SUBSECTION**  
28 **SHALL:**

29 **(I) DEFINE A COMMERCIAL ENTERPRISE;**

30 **(II) REQUIRE A COMMERCIAL ENTERPRISE TO PROVIDE**  
31 **DOCUMENTATION OF THE AMOUNT OF ADMISSIONS AND AMUSEMENT TAX PAID**

1 FOR USE OF THE VESSEL DURING THE FIRST YEAR THE VESSEL IS IN SERVICE;  
2 AND

3 (III) PROVIDE FOR RECAPTURE OF THE EXEMPTION IF THE  
4 AMOUNT OF ADMISSIONS AND AMUSEMENT TAX THE COMMERCIAL ENTERPRISE  
5 PAYS IN THE FIRST YEAR THE VESSEL IS IN SERVICE IS LESS THAN 50% OF THE  
6 VALUE OF THE EXEMPTION.

7 (3) ON OR BEFORE DECEMBER 31 OF EACH YEAR, THE  
8 DEPARTMENT SHALL REPORT TO THE GOVERNOR AND, SUBJECT TO § 2-1246  
9 OF THE STATE GOVERNMENT ARTICLE, THE GENERAL ASSEMBLY ON:

10 (I) THE NUMBER AND AMOUNT OF TAX EXEMPTIONS  
11 CLAIMED;

12 (II) THE AMOUNT OF ADMISSIONS AND AMUSEMENT TAX  
13 PAID ON THE USE OF VESSELS THAT RECEIVE THE TAX EXEMPTION; AND

14 (III) THE NUMBER AND AMOUNT OF TAX EXEMPTIONS  
15 RECAPTURED.

16 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
17 June 1, 2013, and shall be applicable to any vessel purchased after June 30, 2013.