

HOUSE BILL 165

Q4, Q5

6lr1974

By: **Delegate Carr**

Introduced and read first time: January 21, 2016

Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Sales and Use Tax – Short-Term Vehicle Rentals – Rates**

3 FOR the purpose of altering the sales and use tax rates for all short-term vehicle rentals
4 to be a certain percentage of the taxable price; and generally relating to the sales
5 and use tax for short-term vehicle rentals.

6 BY repealing and reenacting, with amendments,
7 Article – Tax – General
8 Section 11–104(c)
9 Annotated Code of Maryland
10 (2010 Replacement Volume and 2015 Supplement)

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

13 **Article – Tax – General**

14 11–104.

15 (c) (1) In this subsection:

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

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

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 2. if the vehicle is a passenger car, as defined in § 11–144.1
2 of the Transportation Article, a multipurpose passenger vehicle, or a motorcycle, the vehicle
3 is not to be used to transport individuals or property for hire; and

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

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

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

9 3. a farm vehicle exempt from the sales and use tax under §
10 11–201(a) of this title.

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

13 (i) if the vehicle is a passenger car, a multipurpose passenger
14 vehicle, or a motorcycle:

15 1. 23 cents for each exact multiple of \$2; and

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

17 A. 1 cent if the excess over an exact multiple of \$2 is at least
18 1 cent but less than 9 cents;

19 B. 2 cents if the excess over an exact multiple of \$2 is at least
20 9 cents but less than 18 cents;

21 C. 3 cents if the excess over an exact multiple of \$2 is at least
22 18 cents but less than 27 cents;

23 D. 4 cents if the excess over an exact multiple of \$2 is at least
24 27 cents but less than 35 cents;

25 E. 5 cents if the excess over an exact multiple of \$2 is at least
26 35 cents but less than 44 cents;

27 F. 6 cents if the excess over an exact multiple of \$2 is at least
28 44 cents but less than 53 cents;

29 G. 7 cents if the excess over an exact multiple of \$2 is at least
30 53 cents but less than 61 cents;

- 1 H. 8 cents if the excess over an exact multiple of \$2 is at least
2 61 cents but less than 70 cents;
- 3 I. 9 cents if the excess over an exact multiple of \$2 is at least
4 70 cents but less than 79 cents;
- 5 J. 10 cents if the excess over an exact multiple of \$2 is at least
6 79 cents but less than 87 cents;
- 7 K. 11 cents if the excess over an exact multiple of \$2 is at least
8 87 cents but less than 96 cents;
- 9 L. 12 cents if the excess over an exact multiple of \$2 is at least
10 96 cents but less than \$1.05;
- 11 M. 13 cents if the excess over an exact multiple of \$2 is at least
12 \$1.05 but less than \$1.14;
- 13 N. 14 cents if the excess over an exact multiple of \$2 is at least
14 \$1.14 but less than \$1.22;
- 15 O. 15 cents if the excess over an exact multiple of \$2 is at least
16 \$1.22 but less than \$1.31;
- 17 P. 16 cents if the excess over an exact multiple of \$2 is at least
18 \$1.31 but less than \$1.40;
- 19 Q. 17 cents if the excess over an exact multiple of \$2 is at least
20 \$1.40 but less than \$1.48;
- 21 R. 18 cents if the excess over an exact multiple of \$2 is at least
22 \$1.48 but less than \$1.57;
- 23 S. 19 cents if the excess over an exact multiple of \$2 is at least
24 \$1.57 but less than \$1.66;
- 25 T. 20 cents if the excess over an exact multiple of \$2 is at least
26 \$1.66 but less than \$1.74;
- 27 U. 21 cents if the excess over an exact multiple of \$2 is at least
28 \$1.74 but less than \$1.83;
- 29 V. 22 cents if the excess over an exact multiple of \$2 is at least
30 \$1.83 but less than \$1.92; and
- 31 W. 23 cents if the excess over an exact multiple of \$2 is at least
32 \$1.92 but less than \$2.00; or

1 (ii) if the vehicle is a vehicle that may be registered as a Class E, F,
2 or G vehicle under Title 13, Subtitle 9 of the Transportation Article:

3 1. 8 cents for each exact dollar; and

4 2. 2 cents for each 25 cents or part of 25 cents in excess of an
5 exact dollar] **IS 11% OF THE TAXABLE PRICE.**

6 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
7 1, 2016.