

# HOUSE BILL 756

Q5

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CF SB 520

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By: **Washington County Delegation**

Introduced and read first time: February 8, 2016

Assigned to: Ways and Means

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## A BILL ENTITLED

1 AN ACT concerning

2 **Washington County – Board of Education – Motor Fuel Tax Exemption**

3 FOR the purpose of authorizing the Washington County Board of Education to claim a  
4 refund of motor fuel tax paid on motor fuel purchased for use in vehicles owned by  
5 the Washington County Board of Education; authorizing a school bus operator under  
6 contract with the Washington County Board of Education to claim a refund of motor  
7 fuel tax paid on motor fuel purchased for use in vehicles used to transport  
8 Washington County public school students; providing that the Washington County  
9 Board of Education is not required to pay any amount of motor fuel tax that is unpaid  
10 on the date this Act takes effect or any interest or penalties associated with the  
11 unpaid motor fuel tax; and generally relating to an exemption from the motor fuel  
12 tax for the Washington County Board of Education.

13 BY repealing and reenacting, with amendments,  
14 Article – Tax – General  
15 Section 13–901(f)  
16 Annotated Code of Maryland  
17 (2010 Replacement Volume and 2015 Supplement)

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

20 **Article – Tax – General**

21 13–901.

22 (f) (1) Except as provided in paragraph (3) of this subsection, a claim for  
23 refund of motor fuel tax may be filed by a claimant who pays the tax on:

24 (i) aviation fuel, as defined in § 9–101 of this article, that is:

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 1. dispensed to aircraft by an aircraft manufacturing  
2 company located in the State; or

3 2. used:

4 A. by a person who engages in agricultural activities; and

5 B. in an aircraft that is used for agricultural purposes at least  
6 70% of the time that the aircraft is used; or

7 (ii) motor fuel, as defined in § 9–101 of this article, that:

8 1. is used to operate:

9 A. a bus that is used only in the operation of a transportation  
10 system of a political subdivision of the State to transport the public on regular schedules  
11 between fixed termini, as defined in Title 11 of the Transportation Article;

12 B. farm equipment that is used for an agricultural purpose  
13 and is not registered to operate on a public highway;

14 C. fire or rescue apparatus or vehicles by a volunteer fire  
15 company or nonprofit volunteer rescue company incorporated in the State;

16 D. an internal combustion engine that is installed  
17 permanently at a fixed location; or

18 E. a vehicle that is owned and used by a Maryland chapter of  
19 the American Red Cross or a bona fide unit of a national veterans' organization;

20 2. is bought by:

21 A. the United States or a unit of the United States  
22 government;

23 B. the Department of General Services for use by State  
24 agencies; [or]

25 C. **THE WASHINGTON COUNTY BOARD OF EDUCATION**  
26 **FOR USE IN VEHICLES OWNED BY THE WASHINGTON COUNTY BOARD OF**  
27 **EDUCATION;**

28 D. **A SCHOOL BUS OPERATOR UNDER CONTRACT WITH**  
29 **THE WASHINGTON COUNTY BOARD OF EDUCATION FOR USE IN VEHICLES USED TO**  
30 **TRANSPORT WASHINGTON COUNTY PUBLIC SCHOOL STUDENTS; OR**

1                   E.     a person who is required to pay a tax on the same fuel to  
2 another state;

3                   3.     except for any operation of a motor vehicle on a public  
4 highway in the State, is used for a commercial purpose, including:

5                   A.     the operation of a vessel used only for commercial  
6 purposes;

7                   B.     commercial cleaning; or

8                   C.     commercial dyeing;

9                   4.     is used in any of the following vehicles that have pumping  
10 or other equipment mechanically or hydraulically driven by the engine that propels the  
11 vehicle:

12                   A.     a concrete mixing motor vehicle or concrete pump truck;

13                   B.     a motor fuel delivery vehicle;

14                   C.     a solid waste compacting vehicle;

15                   D.     a well–drilling vehicle; or

16                   E.     farm equipment registered as a vehicle for highway use  
17 that is designed or adapted solely and used exclusively for bulk farm spreading of  
18 agriculture liming materials, chemicals, or fertilizer;

19                   5.     is used by a system of transportation based in the State,  
20 in a vehicle that is used to provide transportation to elderly or low income individuals, or  
21 individuals with disabilities, if the system is operated by a nonprofit organization for  
22 purposes relating to the charge for which the nonprofit organization was established and  
23 the nonprofit organization:

24                   A.     is exempt for federal income tax purposes under § 501(c)  
25 of the Internal Revenue Code;

26                   B.     is funded to provide transportation to elderly or low  
27 income individuals, or individuals with disabilities;

28                   C.     receives part of its operating funding from the Maryland  
29 Department of Transportation or the Maryland Department of Health and Mental Hygiene;

30                   D.     has stated in its charter or bylaws that operating  
31 transportation services for elderly or low income individuals, or individuals with  
32 disabilities, is one of the purposes for which it was established; and

1 E. is actively operating a system of transportation for elderly  
2 or low income individuals, or individuals with disabilities; or

3 6. is lost as a result of fire, collision, or other casualty, except  
4 for loss in ordinary transportation and storage.

5 (2) A refund based on a claim under paragraph (1)(ii)4 of this subsection  
6 may not exceed the following percentages of the motor fuel tax paid:

7 (i) 35% for a concrete mixing vehicle or concrete pump truck;

8 (ii) 55% for farm equipment, registered as a vehicle for highway use,  
9 that is designed or adapted solely and used exclusively for bulk spreading of agriculture  
10 liming materials, chemicals, or fertilizers;

11 (iii) 10% for a motor fuel delivery vehicle;

12 (iv) 15% for a solid waste compacting vehicle; and

13 (v) 80% for a well-drilling vehicle.

14 (3) A person may not make a claim for a refund of motor fuel tax under  
15 paragraph (1)(ii)1B of this subsection for motor fuel used to operate a farm truck under the  
16 provisions of § 8-602(c) of the Transportation Article.

17 SECTION 2. AND BE IT FURTHER ENACTED, That the Washington County  
18 Board of Education is not required to pay any amount of motor fuel tax that is unpaid on  
19 the date this Act takes effect or any interest or penalties associated with the unpaid motor  
20 fuel tax.

21 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect July  
22 1, 2016.