

SENATE BILL 520

Q5

6lr2319
CF 6lr2291

By: **Washington County Senators**

Introduced and read first time: February 4, 2016

Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

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

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; and generally relating to a refund of
6 motor fuel tax for the Washington County Board of Education.

7 BY repealing and reenacting, with amendments,

8 Article – Tax – General

9 Section 13–901(f)

10 Annotated Code of Maryland

11 (2010 Replacement Volume and 2015 Supplement)

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

14 **Article – Tax – General**

15 13–901.

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

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

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

21 2. used:

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

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 B. in an aircraft that is used for agricultural purposes at least
2 70% of the time that the aircraft is used; or

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

4 1. is used to operate:

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

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

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

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

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

16 2. is bought by:

17 A. the United States or a unit of the United States
18 government;

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

21 C. **THE WASHINGTON COUNTY BOARD OF EDUCATION**
22 **FOR USE IN VEHICLES OWNED BY THE WASHINGTON COUNTY BOARD OF**
23 **EDUCATION; OR**

24 D. a person who is required to pay a tax on the same fuel to
25 another state;

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

28 A. the operation of a vessel used only for commercial
29 purposes;

30 B. commercial cleaning; or

1 C. commercial dyeing;

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

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

6 B. a motor fuel delivery vehicle;

7 C. a solid waste compacting vehicle;

8 D. a well-drilling vehicle; or

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

12 5. is used by a system of transportation based in the State,
13 in a vehicle that is used to provide transportation to elderly or low income individuals, or
14 individuals with disabilities, if the system is operated by a nonprofit organization for
15 purposes relating to the charge for which the nonprofit organization was established and
16 the nonprofit organization:

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

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

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

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

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

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

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

SENATE BILL 520

- 1 (i) 35% for a concrete mixing vehicle or concrete pump truck;
- 2 (ii) 55% for farm equipment, registered as a vehicle for highway use,
3 that is designed or adapted solely and used exclusively for bulk spreading of agriculture
4 liming materials, chemicals, or fertilizers;
- 5 (iii) 10% for a motor fuel delivery vehicle;
- 6 (iv) 15% for a solid waste compacting vehicle; and
- 7 (v) 80% for a well-drilling vehicle.

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

11 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
12 1, 2016.