

HOUSE BILL 754

Q5

4lr2838

By: **Delegate Wells**

Introduced and read first time: January 31, 2024

Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Vehicle Excise Tax – Trade-In Allowance – Repeal**

3 FOR the purpose of altering the calculation of the vehicle excise tax by repealing an
4 allowance against the total purchase price of a vehicle for the value of a trade-in
5 vehicle; and generally relating to the vehicle excise tax.

6 BY repealing and reenacting, with amendments,
7 Article – Transportation
8 Section 13–809(a)
9 Annotated Code of Maryland
10 (2020 Replacement Volume and 2023 Supplement)

11 BY repealing and reenacting, without amendments,
12 Article – Transportation
13 Section 13–809(b) and (c)(1)
14 Annotated Code of Maryland
15 (2020 Replacement Volume and 2023 Supplement)

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

18 **Article – Transportation**

19 13–809.

20 (a) (1) In this section the following words have the meanings indicated.

21 (2) “Fair market value” means:

22 (i) As to the sale of any new or used vehicle by a licensed dealer, the
23 total purchase price, as certified by the dealer;

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (ii) Except as provided in item (iv) of this paragraph, as to a used
2 vehicle that is sold by any person other than a licensed dealer and that has a designated
3 model year that is 7 years old or older, the greater of:

4 1. The total purchase price; or

5 2. \$640;

6 (iii) Except as provided in item (iv) of this paragraph, as to any other
7 used vehicle that is sold by any person other than a licensed dealer:

8 1. The total purchase price, if the total purchase price is less
9 than \$500 below the retail value of the vehicle as shown in a national publication of used
10 car values adopted for use by the Department; or

11 2. If the total purchase price is \$500 or more below the retail
12 value of the vehicle as shown in a national publication of used car values adopted for use
13 by the Department:

14 A. The total purchase price, if verified to the satisfaction of
15 the Administration by a notarized bill of sale submitted in accordance with subsection (d)(2)
16 of this section; or

17 B. The valuation shown in the national publication of used
18 car values, if the Administration finds that the documentation submitted under subsection
19 (d)(2) of this section fails to verify the total purchase price;

20 (iv) As to a used trailer, a motor scooter, a moped, or an off-highway
21 recreational vehicle that is sold by any person other than a licensed dealer, the greater of:

22 1. The total purchase price; or

23 2. \$320; and

24 (v) In any other case, the valuation shown in a national publication
25 of used car values adopted for use by the Department.

26 (3) [(i) Subject to subparagraphs (ii) and (iii) of this paragraph, “total”
27 **“TOTAL** purchase price” means the price of a vehicle agreed on by the buyer and the seller,
28 including any dealer processing charge, [less an allowance for trade-in but] with no
29 allowance for **TRADE-IN OR** other nonmonetary consideration.

30 [(ii) As to a person trading in a nonleased vehicle to enter into a lease
31 for a period of more than 180 consecutive days, “total purchase price” means the retail value
32 of the vehicle as certified by the dealer, including any dealer processing charge, less an
33 allowance for the trade-in of the nonleased vehicle but with no allowance for other

1 nonmonetary consideration.

2 (iii) As to a person trading in a leased vehicle to enter into another
3 lease for a period of more than 180 consecutive days with a different leasing company or to
4 purchase a vehicle, “total purchase price” means the retail value of the vehicle as certified
5 by the dealer, including any dealer processing charge, less an allowance for the trade-in of
6 the leased vehicle but with no allowance for other nonmonetary consideration.]

7 (4) “Trailer” has the meaning stated in § 11–169 of this article.

8 (b) (1) Except as otherwise provided in this part, in addition to any other
9 charge required by the Maryland Vehicle Law, an excise tax is imposed:

10 (i) For each original and each subsequent certificate of title issued
11 in this State for a motor vehicle, a trailer, a semitrailer, a moped, a motor scooter, or an
12 off-highway recreational vehicle for which sales and use tax is not collected at the time of
13 purchase; and

14 (ii) Except as provided in paragraph (2) of this subsection, for each
15 motor vehicle, trailer, or semitrailer that is in interstate operation and registered under §
16 13–109(c) or (d) of this title without a certificate of title.

17 (2) (i) An excise tax of \$50 is imposed for the registration of a trailer
18 exempt from the titling requirement under § 13–102(12) of this title.

19 (ii) In a case where the fair market value as defined in subsection
20 (a)(2)(iii)2A of this section applies, the excise tax imposed under this part may not be less
21 than \$32.

22 (3) A political subdivision of the State may not impose a sales tax, a use
23 tax, or excise tax on the issuance of a motor vehicle certificate of title.

24 (c) (1) Except as provided in subsection (b)(2) of this section, the tax imposed
25 by this section is 6 percent of the fair market value of the vehicle.

26 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
27 1, 2024, and shall be applicable to all certificates of title issued in the State on or after July
28 1, 2024, and to all motor vehicles, trailers, or semitrailers subject to the excise tax that are
29 in interstate operation and registered under § 13–109(c) or (d) of the Transportation Article
30 without a certificate of title on or after July 1, 2024.