

HOUSE BILL 925

Q5

4lr1843

By: **Delegate Fair**

Introduced and read first time: February 2, 2024

Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Vehicle Excise Tax – Rate Increase**

3 FOR the purpose of increasing the vehicle excise tax rate; and generally relating to the
4 vehicle excise tax.

5 BY repealing and reenacting, without amendments,
6 Article – Transportation
7 Section 13–809(b)
8 Annotated Code of Maryland
9 (2020 Replacement Volume and 2023 Supplement)

10 BY repealing and reenacting, with amendments,
11 Article – Transportation
12 Section 13–809(c)
13 Annotated Code of Maryland
14 (2020 Replacement Volume and 2023 Supplement)

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

17 **Article – Transportation**

18 13–809.

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

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

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



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

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

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

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

(c) (1) Except as provided in subsection (b)(2) of this section, the tax imposed by this section is ~~[6 percent]~~ **6.5%** of the fair market value of the vehicle.

(2) If the vehicle formerly was a vehicle exempt from the tax imposed by this section, the tax shall be reduced by any amount previously paid by the present owner as a sales and use tax on the vehicle under Title 11 of the Tax – General Article.

(3) (i) If the vehicle was formerly titled and registered in another state and the present owner has paid a sales or excise tax to that state at a rate less than that imposed by this State, then the tax imposed shall apply but at a rate measured by the difference only between the tax rate paid to the other state and the tax rate imposed by this section, if the present owner has not been a Maryland resident for more than 60 days.

(ii) If the vehicle was formerly titled and registered in another state and the present owner requests to transfer the vehicle in accordance with § 13–810(c)(1) of this subtitle, the Administration shall change or correct the names contained in the certificate of title:

1. At the time the excise tax that is credited or imposed under this section is paid and a new title is issued; and

2. Without issuing multiple certificates of title or charging additional fees.

(iii) Except as provided in subsection (b)(2) of this section, the minimum tax imposed under this section shall be \$100.

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