HOUSE BILL 627

R7, Q5 (7lr2410)

ENROLLED BILL

— Ways and Means/Budget and Taxation —

Introduced by **Delegates C. Howard, Beitzel, Buckel, Hayes, Jameson, Mautz, McCray, McKay, Metzgar, ~~and Proctor~~ Proctor, and Adams**

Read and Examined by Proofreaders:

_______________________________ Proofreader.

_______________________________ Proofreader.

Sealed with the Great Seal and presented to the Governor, for his approval this

_______ day of _______________ at ________________________ o'clock, ________M.

_______________________________ Speaker.

CHAPTER ______

AN ACT concerning

Motor Fuel Tax Refund – Demand Response Trips

FOR the purpose of adding certain vehicles used to provide certain services to those vehicles that qualify for a certain motor fuel tax refund; ~~limiting the amount of a motor fuel tax refund for certain vehicles used to provide certain services to a certain percentage of motor fuel tax paid;~~ defining a certain term; and generally relating to claims for motor fuel tax refunds.

BY repealing and reenacting, with amendments,
Article – Tax – General
Section 13–101 and 13–901(f)
Annotated Code of Maryland
(2016 Replacement Volume)

EXPLANATION: **CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.**
[Brackets**]** indicate matter deleted from existing law.
Underlining indicates amendments to bill.
~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.
Italics indicate opposite chamber/conference committee amendments.

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

Article – Tax – General

13–101.

(a) In this title the following words have the meanings indicated.

(b) **(1) "DEMAND RESPONSE TRIP" MEANS THE CARRIAGE OF A PASSENGER WHO IS UNABLE TO USE REGULAR SCHEDULE, FIXED TERMINI SERVICES.**

(2) "DEMAND RESPONSE TRIP" INCLUDES A TRIP THAT IS REQUIRED UNDER THE FEDERAL AMERICANS WITH DISABILITIES ACT.

(C) "Governmental unit" means:

(1) this State or a political subdivision, unit, or instrumentality of this State;

(2) another state or a political subdivision, unit, or instrumentality of that state; and

(3) a unit or instrumentality of a political subdivision of this State or of another state.

[(c)**] (D)** (1) "Tax collector" means the person or governmental unit responsible for collecting a tax.

(2) "Tax collector" includes:

(i) the Comptroller;

(ii) the Department, with respect to:

1. the financial institution franchise tax; and

2. the public service company franchise tax; and

(iii) the registers of wills, with respect to the inheritance tax.

13–901.

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

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

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

2. used:

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

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

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

1. is used to operate:

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

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

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

D. an internal combustion engine that is installed permanently at a fixed location; **[**or**]**

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

F. A VEHICLE THAT IS USED ONLY IN THE OPERATION OF A TRANSPORTATION SYSTEM OF A POLITICAL SUBDIVISION OF THE STATE TO TRANSPORT THE PUBLIC ON DEMAND RESPONSE TRIPS;

2. is bought by:

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

B. the Department of General Services for use by State agencies;

C. a county board of education for use in a school bus owned by a county board of education;

D. a school bus operator under contract with a county board of education for use in a school bus used to transport the county's public school students; or

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

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

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

B. commercial cleaning; or

C. commercial dyeing;

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

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

B. a motor fuel delivery vehicle;

C. a solid waste compacting vehicle;

D. a well–drilling vehicle; or

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

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

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

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

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

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

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

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

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

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

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

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

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

(v) 80% for a well–drilling vehicle.

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

~~**(4) A REFUND BASED ON A CLAIM UNDER PARAGRAPH (1)(II)1F OF THIS SUBSECTION MAY NOT EXCEED 20% OF THE MOTOR FUEL TAX PAID.**~~

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2017.