

HOUSE BILL 1156

Q5

2lr2322

By: **Delegate Frick**

Introduced and read first time: February 10, 2012

Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Motor Fuel Tax – Increase – Construction Cost Index**

3 FOR the purpose of altering the motor fuel tax rates for certain motor fuel on certain
4 dates by certain amounts; providing for the alteration of the motor fuel tax rates
5 for certain motor fuel under certain circumstances twice annually beginning on
6 a certain date based on the percentage growth in a certain cost index;
7 prohibiting an increase of the motor fuel tax rates for certain motor fuel of more
8 than a certain amount in a certain period; requiring the Comptroller to
9 determine and announce the percentage growth in a certain cost index and the
10 motor fuel tax rates for certain motor fuel on certain dates; requiring persons
11 who hold tax–paid motor fuel on the date of an increase in the motor fuel tax to
12 remit any additional tax due on the fuel; defining a certain term; and generally
13 relating to increasing the motor fuel tax rates for certain motor fuel and
14 indexing the tax rates to a certain cost index.

15 BY repealing and reenacting, with amendments,
16 Article – Tax – General
17 Section 9–305
18 Annotated Code of Maryland
19 (2010 Replacement Volume and 2011 Supplement)

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

22 **Article – Tax – General**

23 9–305.

24 (A) [The] **SUBJECT TO SUBSECTION (B) OF THIS SECTION, THE** motor fuel
25 tax rate is:

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



- 1 (1) 7 cents for each gallon of aviation gasoline;
- 2 (2) 23.5 cents for each gallon of gasoline other than aviation gasoline;
- 3 (3) 24.25 cents for each gallon of special fuel other than
4 clean-burning fuel or turbine fuel;
- 5 (4) 7 cents for each gallon of turbine fuel; and
- 6 (5) 23.5 cents for each gasoline-equivalent gallon of
7 clean-burning fuel except electricity.

8 **(B) (1) THE MOTOR FUEL TAX RATES SPECIFIED IN SUBSECTION**
9 **(A)(2), (3), AND (5) OF THIS SECTION SHALL BE INCREASED ON JULY 1, 2012,**
10 **AND ON JANUARY 1 AND JULY 1 OF EACH YEAR THEREAFTER, BY NO MORE**
11 **THAN 2 CENTS PER GALLON OVER THE RATES IN EFFECT ON THE IMMEDIATELY**
12 **PRECEDING DATE UNTIL THE MOTOR FUEL TAX RATES EQUAL THE RATES THAT**
13 **WOULD HAVE BEEN IN EFFECT ON JANUARY 1, 2012, IF THE MOTOR FUEL TAX**
14 **RATES HAD BEEN ADJUSTED IN ACCORDANCE WITH PARAGRAPH (2) OF THIS**
15 **SUBSECTION BEGINNING ON JANUARY 1, 1993.**

16 **(2) (I) THIS PARAGRAPH APPLIES TO THE MOTOR FUEL TAX**
17 **RATES BEGINNING ON THE JANUARY 1 OR JULY 1 IMMEDIATELY FOLLOWING**
18 **THE JANUARY 1 OR JULY 1 ON WHICH THE MOTOR FUEL TAX RATES ARE**
19 **INCREASED TO THE AMOUNTS SPECIFIED IN PARAGRAPH (1) OF THIS**
20 **SUBSECTION.**

21 **(II) AN INCREASE IN THE MOTOR FUEL TAX RATES UNDER**
22 **THIS PARAGRAPH SHALL BE EFFECTIVE FOR A 6-MONTH PERIOD BEGINNING**
23 **ON:**

24 **1. JANUARY 1 FOR AN OCTOBER 15 DETERMINATION**
25 **UNDER SUBSECTION (C)(2) OF THIS SECTION; AND**

26 **2. JULY 1 FOR AN APRIL 15 DETERMINATION UNDER**
27 **SUBSECTION (C)(2) OF THIS SECTION.**

28 **(III) SUBJECT TO THE LIMITATION UNDER SUBPARAGRAPH**
29 **(IV) OF THIS PARAGRAPH, THE MOTOR FUEL TAX RATES SPECIFIED IN**
30 **SUBSECTION (A)(2), (3), AND (5) OF THIS SECTION SHALL BE INCREASED ON**
31 **JANUARY 1 AND JULY 1 OF EACH YEAR BY THE AMOUNT, ROUNDED TO THE**
32 **NEAREST ONE-TENTH OF A CENT, THAT EQUALS THE PRODUCT OF**
33 **MULTIPLYING:**

1 1. THE MOTOR FUEL TAX RATE IN EFFECT ON THE
2 IMMEDIATELY PRECEDING DATE; AND

3 2. THE PERCENTAGE GROWTH IN THE
4 CONSTRUCTION COST INDEX AS DETERMINED BY THE COMPTROLLER UNDER
5 SUBSECTION (C)(2) OF THIS SECTION.

6 (IV) FOR ANY 6-MONTH PERIOD, THE MOTOR FUEL TAX
7 RATES MAY NOT BE INCREASED BY MORE THAN 2 CENTS PER GALLON OVER THE
8 RATES IN EFFECT FOR THE IMMEDIATELY PRECEDING 6-MONTH PERIOD.

9 (V) IF THERE IS NO GROWTH IN THE CONSTRUCTION COST
10 INDEX, THE MOTOR FUEL TAX RATES SHALL BE THE TAX RATES IN EFFECT FOR
11 THE IMMEDIATELY PRECEDING 6-MONTH PERIOD.

12 (C) (1) IN THIS SUBSECTION, "CONSTRUCTION COST INDEX" MEANS
13 AN INDEX PUBLISHED MONTHLY BY THE ENGINEERING NEWS-RECORD THAT IS
14 A WEIGHTED AGGREGATE INDEX OF THE PRICES OF CONSTANT QUANTITIES OF
15 STRUCTURAL STEEL, PORTLAND CEMENT, LUMBER, AND COMMON LABOR.

16 (2) ON OR BEFORE APRIL 15 AND OCTOBER 15 OF EACH YEAR,
17 THE COMPTROLLER SHALL DETERMINE AND ANNOUNCE:

18 (I) THE PERCENTAGE GROWTH IN THE CONSTRUCTION
19 COST INDEX BASED ON THE AVERAGE OF THE INDEX FOR THE CURRENT MONTH
20 AND THE PRECEDING 5 MONTHS COMPARED TO THE AVERAGE OF THE INDEX
21 FOR THE PRIOR 6 MONTHS; AND

22 (II) THE MOTOR FUEL TAX RATES EFFECTIVE ON THE
23 FOLLOWING JULY 1 OR JANUARY 1.

24 (D) THE COMPTROLLER SHALL REQUIRE ANY PERSON POSSESSING
25 TAX-PAID MOTOR FUEL FOR SALE AT THE START OF BUSINESS ON THE DATE OF
26 AN INCREASE IN THE MOTOR FUEL TAX UNDER THIS SECTION TO COMPILE AND
27 FILE AN INVENTORY OF THE MOTOR FUEL HELD AT THE CLOSE OF BUSINESS ON
28 THE IMMEDIATELY PRECEDING DATE AND REMIT WITHIN 30 DAYS ANY
29 ADDITIONAL MOTOR FUEL TAX THAT IS DUE ON THE MOTOR FUEL.

30 SECTION 2. AND BE IT FURTHER ENACTED, That each person holding
31 tax-paid motor fuel for sale at the start of business on July 1, 2012, shall compile and
32 file an inventory of the motor fuel held at the close of business on June 30, 2012, and
33 remit within 30 days any additional motor fuel tax that is due on the motor fuel.

1 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect
2 July 1, 2012.