

HOUSE BILL 54

Q5

4lr0344

(PRE-FILED)

By: **Delegate Vitale**

Requested: July 24, 2013

Introduced and read first time: January 8, 2014

Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Motor Fuel Tax – Downward Adjustment – Decrease in Consumer Price Index**

3 FOR the purpose of altering a provision of law requiring increases to certain motor
4 fuel tax rates based on growth in the Consumer Price Index to require that the
5 motor fuel tax rates also be adjusted downward to reflect any decrease in the
6 Consumer Price Index; making conforming changes; and generally relating to
7 adjustment of certain motor fuel tax rates based on the Consumer Price Index.

8 BY repealing and reenacting, with amendments,
9 Article – Tax – General
10 Section 9–305
11 Annotated Code of Maryland
12 (2010 Replacement Volume and 2013 Supplement)

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

15 **Article – Tax – General**

16 9–305.

17 (a) Except as provided in subsection (b) of this section, the motor fuel tax
18 rate is:

19 (1) 7 cents for each gallon of aviation gasoline;

20 (2) 23.5 cents for each gallon of gasoline other than aviation gasoline;

21 (3) 24.25 cents for each gallon of special fuel other than clean-burning
22 fuel or turbine fuel;

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (4) 7 cents for each gallon of turbine fuel; and

2 (5) 23.5 cents for each gasoline-equivalent gallon of clean-burning
3 fuel except electricity.

4 (b) (1) The motor fuel tax rates specified in subsection (a)(2), (3), and (5)
5 of this section shall be [increased] **ADJUSTED** on July 1, 2013, and July 1 of each
6 subsequent year in accordance with this subsection.

7 (2) On or before June 1 of each year, the Comptroller shall determine
8 and announce:

9 (i) the [growth] **CHANGE** in the Consumer Price Index for all
10 urban consumers as determined by the Comptroller under paragraph (3) of this
11 subsection; and

12 (ii) the motor fuel tax rates effective for the fiscal year
13 beginning on the following July 1 as determined by the Comptroller under paragraph
14 (4) of this subsection.

15 (3) (i) In this paragraph, “Consumer Price Index for all urban
16 consumers” means the index published monthly by the Bureau of Labor Statistics of
17 the U.S. Department of Labor that is the U.S. city average of all items in a basket of
18 consumer goods and services.

19 (ii) The percentage [growth] **CHANGE** in the Consumer Price
20 Index for all urban consumers shall be determined by comparing the average of the
21 index for the 12 months ending on the preceding April 30 to the average of the index
22 for the prior 12 months.

23 (4) Subject to paragraph (5) of this subsection, on July 1 of each year,
24 each motor fuel tax rate specified in subsection (a)(2), (3), and (5) of this section shall
25 be [increased] **ADJUSTED** by the amount, rounded to the nearest one-tenth of a cent,
26 that equals the product of multiplying:

27 (i) the motor fuel tax rate in effect on the date of the
28 Comptroller’s announcement under paragraph (2) of this subsection; and

29 (ii) the percentage [growth] **CHANGE** in the Consumer Price
30 Index for all urban consumers.

31 (5) [(i) If there is a decline or no growth in the Consumer Price
32 Index for all urban consumers, the motor fuel tax rates shall remain unchanged.

1 (ii)] Any increase in the motor fuel tax rates under paragraph (4)
2 of this subsection may not be greater than 8% of the motor fuel tax rate effective in the
3 previous year.

4 (6) The Comptroller shall require any person possessing tax-paid
5 motor fuel for sale at the start of business on the date of an increase in the motor fuel
6 tax under this subsection to compile and file an inventory of the motor fuel held at the
7 close of business on the immediately preceding date and remit within 30 days any
8 additional motor fuel tax that is due on the motor fuel.

9 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
10 June 1, 2014.