

WHEREAS, This 5% tax on top of whatever sales tax was paid in the original state of purchase is a significant irritant to newcomers to the State; and

WHEREAS, The implication is that many companies seeking to relocate to Maryland have to assume the burden of these costs or deal with dissatisfied relocated employees thereby reducing a business' ability to recruit out-of-state employees at competitive wage rates; and

WHEREAS, The Governor's Task Force on the Economic Expansion of Service Industries recommended in 1983 that this disincentive to economic development in the State be addressed through legislation; now, therefore,

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

Article - Transportation

13-809.

~~(c) (3) (i) IF THE VEHICLE WAS FORMERLY TITLED IN ANOTHER STATE AND THE PRESENT OWNER HAS PAID A SALES OR EXCISE TAX TO THAT STATE IN AN AMOUNT LESS THAN THE TAX IMPOSED BY THIS SECTION, THE TAX IMPOSED SHALL APPLY BUT AT A RATE MEASURED BY THE DIFFERENCE ONLY BETWEEN THE 5 PERCENT RATE FIXED IN THIS SECTION AND THE RATE BY WHICH THE PREVIOUS TAX PAID IN THE OTHER STATE WAS COMPUTED.~~

~~(ii) IF THE RATE OF TAX IMPOSED IN SUCH OTHER STATE IS THE SAME OR MORE THAN THE 5 PERCENT RATE IMPOSED BY THIS SECTION, THE TAX IMPOSED SHALL BE BASED ON A VEHICLE WITH A FAIR MARKET VALUE OF \$500.~~

(c) (3) (i) IF THE VEHICLE WAS FORMERLY TITLED AND REGISTERED IN ANOTHER STATE AND THE PRESENT OWNER HAS NOT LIVED IN MARYLAND BEEN A MARYLAND RESIDENT FOR MORE THAN 90 30 DAYS AND 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.

(II) THE MINIMUM TAX IMPOSED UNDER THIS SECTION SHALL BE \$50 \$100.