

(c) (1) Except as provided in § 8-715(d) of this subtitle and in subsections (e) and (f) of this section, and in addition to the fees prescribed in subsection (b) of this section, an excise tax is levied at the rate of 5% of the fair market value of the vessel on:

(i) The issuance of every original certificate of title required for a vessel under this subtitle;

(ii) The issuance of every subsequent certificate of title for the sale, resale, or transfer of the vessel;

(iii) The sale within the State of every other vessel; and

(iv) The possession within the State of a vessel used or to be used principally in the State.

(2) Notwithstanding the provisions of this subsection, no tax is paid on issuance of any certificate of title if the owner of the vessel for which a certificate of title is sought was the owner of the vessel prior to June 1, 1965, or paid Maryland sales and use tax on the vessel as required by law at the time of acquisition. The Department may require the applicant for titling to submit satisfactory proof that the applicant owned the vessel prior to June 1, 1965.

(e) A person is not required to pay the tax provided for in subsection (c) of this section resulting from:

(1) A transfer between members of the immediate family as determined by Department regulations;

(2) A transfer between members of the immediate family as determined by Department regulations of a documented vessel for which the transferor applied for and was issued a valid use sticker under § 8-712.1 of this subtitle;

(3) A transfer to a licensed dealer of a vessel for resale, rental, or leasing purposes;

(4) The holding of a vessel that is titled or numbered in another state or is federally documented, provided:

(i) The vessel is held for resale or listed for resale by a licensed dealer; and

(ii) The vessel owner signs an affidavit that there will be no use of the vessel on the waters of the State other than for a sea trial;