



MOTOR FUEL TAX AND MOTOR CARRIER TAX (IFTA)

ANNUAL REPORT

Fiscal Year 2010



Peter Franchot

Comptroller of Maryland



**To Interested Members of the Motor Fuel and
Motor Carrier Industries:**

I am pleased to present the annual report for Motor Fuel Tax and Motor Carrier Tax "IFTA" for fiscal year 2010.

This report furnishes general information and data about the administration, collection, and distribution of motor fuel tax revenue and motor carrier tax "IFTA" revenue.

If you need further information, please contact the Field Enforcement Division at 410-260-7388, or me, in Annapolis, and we will be happy to help you.

Sincerely,

A handwritten signature in black ink, which appears to read "Peter Franchot". The signature is fluid and cursive.

Comptroller of Maryland

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INTRODUCTION

2010 Legislative Session

The Revenue Administration Division of the Comptroller of Maryland is responsible for collecting the motor fuel tax and motor carrier tax, and the Field Enforcement Division is responsible for regulation and enforcement of the State's motor fuel and motor carrier tax laws.

This annual report provides data and statistics about the tax collection function of the Revenue Administration Division and the regulatory function of the Field Enforcement Division. All information in this report, including but not limited to revenue, permits, and other regulatory activities are for fiscal year 2010: July 1, 2009 through June 30, 2010.

Taxes

The Maryland Motor Fuel Tax is imposed on each gallon of fuel at the following rates:

- 7 cents for each gallon of aviation gasoline;
- 23.5 cents for each gallon of gasoline other than aviation gasoline;
- 24.25 cents for each gallon of special fuel other than clean-burning fuel or turbine fuel;
- 7 cents for each gallon of turbine fuel; and
- 23.5 cents for each gasoline-equivalent gallon of clean-burning fuel except electricity.

In general, after paying refunds, administrative costs of the Comptroller, and a certain percentage to the Chesapeake Bay 2010 Trust Fund, motor fuel taxes are distributed to the Gasoline and Motor Vehicle Revenue Account of the Transportation Trust Fund. Further details are in this report about motor fuel tax revenue distribution.

The Maryland Motor Carrier Tax is imposed at the same rate as the motor fuel tax rate for each type of motor fuel used. It is a fuel use tax on motor carriers who travel on Maryland highways. Motor carrier tax revenue and fees collected under Title 9 of the Tax-General Article are distributed to the Gasoline and Motor Vehicle Revenue Account of the Transportation Trust Fund.

Revenue

Total gross revenue from motor fuel tax and motor carrier taxes, motor carrier temporary permit fees, and other revenue for fiscal year 2010 was \$ 746,806,856. Compared to fiscal year 2009, fiscal year 2010 tax revenues indicate the following changes: 1.2% decrease in gasoline taxes; a 0.4% increase in special fuel taxes; a 27.1% increase in aviation fuel taxes; and a 4.7% decrease in motor carrier taxes for Maryland-based commercial vehicles; a 39.8% decrease in motor carrier taxes collected for commercial vehicles based in other jurisdictions, and a 20% decrease in motor carrier temporary permit fees. There was an overall decrease of 1.5 % in gross motor fuel tax and motor carrier tax revenues.

There are no fees for motor fuel licenses or registrations, or for IFTA licenses.

Motor Fuel and Motor Carrier Legislation

The Maryland General Assembly passed 2 legislative bills during the 2010 session related to motor fuel laws. These bills are listed with the corresponding chapter number. Further information about legislation is available at <http://mlis.state.md.us>, the Maryland General Assembly's website.

STATEWIDE:

House Bill 1032 (Chapter 720) Motor Fuel Suppliers - Game of Chance

The general rule is that a supplier may not engage in game of chance at a retail service station; however, under the exception a supplier may participate in a game of chance only if it is sponsored by an entity other than the supplier. This bill amends the exception in Business Regulation Article, § 10-502 by allowing a supplier of motor fuel to sponsor, promote, advertise, or otherwise perform or participate in a game of chance if the retail service station dealer agrees to participate. A supplier may not require a retail service station to participate in a game of chance. This Act is in effect for 3 years until September 30, 2013, and if no action is taken by the Maryland General Assembly, it will become null and void. EFFECTIVE OCTOBER 1, 2010

LOCAL:

Senate Bill 1006 (Chapter 114) and House Bill 1025 (Chapter 115) - Baltimore City - Sale of Motor Fuel for Dirt Bikes - Prohibition

This bill requires a retail service station dealer in Baltimore City to post a sign stating the provisions of: (1) the Baltimore City Code that prohibit a service station or any other person from selling, transferring, or dispensing motor fuel for delivery into a dirt bike; and (2) the newly added § 21-1128 of the Transportation Article that prohibits a person from dispensing motor fuel into a dirt bike. The Comptroller is required in consultation with the Washington, Maryland, Delaware Service Station and Automotive Repair Association to adopt guidelines for the design of the sign. A civil penalty of \$100 may be charged against the retail service station dealer for a second or subsequent offense. EFFECTIVE OCTOBER 1, 2010

Taxation and Regulation

MOTOR FUEL TAX

The Maryland motor fuel tax is an excise tax on motor fuel purchased for the purpose of propelling a motor vehicle or turbine-powered aircraft. Motor fuel is defined as gasoline or special fuel. Gasoline is a product used as fuel in a spark ignited internal combustion engine. The Comptroller may designate a product as gasoline, such as ethanol.

Special fuel is a product usable as fuel in an internal combustion engine, such as diesel fuel, and it also includes clean-burning fuel used for motor vehicle propulsion, such as natural gas, hydrogen, or a fuel that contains at least 85% ethanol.

Aviation fuel is defined as aviation gasoline, or turbine fuel (jet fuel).

The definition of motor fuel is important as it determines the motor fuel tax rate, what type of license is required, and whether or not an exemption certificate may be issued.

Other than the exemptions listed in § 9-303 and § 9-304 of the Tax-General Article, a tax is imposed on motor fuel. The rules governing when the motor fuel tax is imposed are different for gasoline and special fuel. Gasoline is subject to the motor fuel tax, unless a nontaxable use can be claimed for a refund under the particular exceptions in Tax-General Article § 13-901 related to certain public, governmental, and commercial purposes. In contrast, special fuel may not be subject to tax if the purchaser has an exemption certificate. Exemption certificates are not issued for gasoline.

INTRODUCTION

Pursuant to Tax-General Article, § 9-314(a), the motor fuel tax on gasoline is paid by either: (1) the licensed Class B dealer who first receives gasoline imported into Maryland; (2) any other dealer who uses the gasoline, or first sells the gasoline in Maryland to a buyer other than a licensed dealer authorized to acquire gasoline without paying the motor fuel tax; or (3) any other person who acquires gasoline on which the motor fuel tax has not been paid. Gasoline is essentially taxed on first sale, or import.

Special fuel, which was not separately defined until 1988, is subject to the motor fuel tax when a special fuel seller delivers the fuel into a tank from which a motor vehicle can be fueled unless the person who uses or resells the special fuel has an exemption certificate. The tax is imposed when a special fuel user operates a motor vehicle on a public highway using special fuel; or when a person acquires special fuel without an exemption certificate, or when the motor fuel tax has not been paid.

The motor fuel tax on turbine fuel is imposed on the turbine fuel seller who delivers turbine fuel into the fuel supply tank of a turbine-powered aircraft, or any other person who acquires turbine fuel not tax-paid and without an exemption certificate.

There is an on-line service called "Motor Fuel License Inquiry" and "Special Fuel Exemption Inquiry" on the Comptroller's website that can be used to determine whether a business has a motor fuel license or a seller or user of special fuel has an exemption certificate.

Motor fuel that is exported or sold for exportation from Maryland is not subject to the motor fuel tax.

Discounts or Cost of Collection Allowances

Under Tax-General Article, § 9-308, a licensed gasoline dealer, special fuel seller, special fuel user, or turbine fuel seller shall file monthly tax returns and pay the motor fuel tax.

A licensed dealer or licensed special fuel seller must deduct as a discount 0.5% of the 1st 10 cents of the motor fuel tax on each gallon of motor fuel. The discount compensates the licensed dealer and licensed special fuel seller for expenses incurred in keeping records, collecting and paying the tax, and preparing reports. Discounts do not apply to aviation gasoline. This discount must be allocated and passed-on to subsequent purchasers as provided in Tax-General Article, § 9-315(b)(2).

Exemption Certificates

A holder of an exemption certificate may acquire in bulk special fuel or turbine fuel without paying the motor fuel tax from a licensed special fuel seller or turbine fuel seller. Sellers of kerosene and propane at retail may obtain exemption certificates if this is the only fuel sold, the fuel is sold for a nontaxable use, all other special fuels are purchased tax-paid from the supplier, or the seller is a licensed special fuel seller. Regulations related to exemption certificates are found in the Code of Maryland Regulations (COMAR) 03.03.01.16.

MOTOR CARRIER TAX

Tax-General Article, § 9-204 provides that the rate of the motor carrier tax for each gallon used by a commercial motor vehicle on a highway is the motor fuel tax rate for the type of motor fuel used for each gallon. Exceptions to what constitutes a "commercial motor vehicle" are found in Tax-General Article, § 9-201(b).

International Fuel Tax Agreement ("IFTA")

Pursuant to the authority granted by Tax-Gen. § 9-205, Maryland was approved in 1995 as a member jurisdiction of the International Fuel Tax Agreement ("IFTA"). Maryland's IFTA membership became effective January 1, 1996, and the State currently

continues to be a member, which requires compliance with the IFTA Articles of Agreement, IFTA Procedures Manual, and IFTA Audit Manual.

The IFTA Agreement applies to the fuel use taxation, registration, and reporting requirements of motor carriers. However, various provisions of the IFTA Agreement permit Maryland as a base jurisdiction to determine the rules and procedures according to Maryland law. Therefore, the motor carrier tax statute found in Tax-General Article, Title 9, Subtitle 2 must be considered in conjunction with the IFTA Agreement.

Three concepts are fundamental to IFTA: (1) base jurisdiction; (2) state sovereignty; and (3) uniformity.

(1) One license and one base jurisdiction is a core principle of IFTA. Maryland as an IFTA member means that it is a base jurisdiction for motor carriers with a vehicle registration in the State. The base jurisdiction concept allows a licensee to report and pay motor carrier taxes to Maryland for distribution to other member jurisdictions in which the licensee traveled and incurred motor fuel use tax liability.

(2) State sovereignty allows each member jurisdiction to retain its authority to impose and administer the motor carrier tax as it determines. By entering into IFTA, Maryland has not relinquished any substantive tax authority.

(3) Uniform IFTA rules and procedures facilitate the collection and disbursement of multistate fuel taxes, promoting interstate travel and commerce.

Under IFTA, the motor carrier tax and exemptions from tax are determined by the laws of the base jurisdiction. In Maryland, there are no exempt miles for the motor carrier tax; however, the tax is not imposed on commercial motor vehicles which are leased from another motor carrier who is responsible for the payment of the motor carrier tax, or those who operate a motor carrier under a trip permit.

The calculation used to compute the amount of motor fuel use in Maryland involves two computations: (1) average fleet miles for each gallon; and (2) total miles the motor carrier's fleet travels on Maryland highways. To compute the average fleet miles for each gallon, a fraction is used, the numerator of which is the total miles that the motor carrier's entire fleet travels in all states; and the denominator of which is the total gallons of motor fuel used. This fraction is then divided into the total miles the motor carrier's fleet travels on Maryland highways.

The following is an example of how to calculate the motor carrier tax:

- (1) Total miles in all states: 1,000
-
- Total gallons of motor fuel used: 50
- = 20 Average Fleet MPG
- (2) Total miles traveled in Maryland: 500
Calculate Maryland taxable fuel use:
 $500 \div 20 = 25$ Maryland taxable gallons

If the motor fuel used is gasoline, the 25 taxable fuel use gallons are taxed at a rate of 23.5 cents for each gallon, or \$ 5.88. The motor carrier tax in the amount of \$ 5.88 on the 25 gallons can be reduced by a credit for tax-paid gallons purchased in Maryland.

Credits & Refunds

An IFTA licensee may receive credit or a refund for tax-paid purchases of fuel used outside the jurisdiction where the fuel was purchased. Tax-paid purchases to other member jurisdictions can be reported as credits on the licensee's IFTA Quarterly Fuel Use Tax Return. Refunds will be made only after all tax liabilities, including audit assessments, have been satisfied to all member jurisdictions.

MOTOR FUEL TAX & MOTOR CARRIER TAX REGULATION

The Comptroller of Maryland is responsible for administering and enforcing the following provisions of the Annotated Code of Maryland:

Business Regulation Article, Title 10: Motor Fuel and Lubricants
Tax-General Article, Title 9, Subtitle 2: Motor Carrier Tax
Tax-General Article, Title 9, Subtitle 3: Motor Fuel Tax

Motor fuel is defined as: (1) Gasoline; or (2) Special Fuel. The following types of motor fuel are regulated by the Comptroller:

<u>Gasoline</u>	<u>Special Fuel</u>
Gasoline	Diesel Fuel
Ethanol	Biodiesel Fuel
	Natural Gas
<u>Aviation Fuel</u>	Kerosene
Aviation Gasoline	Propane
Turbine Fuel – Jet Fuel	Fuel Oil

Motor carriers, or commercial motor vehicles, are subject to the Articles of the International Fuel Tax Agreement (“IFTA”), and the laws and regulations of Title 9, Subtitle 2 of the Tax-General Article, Annotated Code of Maryland.

Licenses, Permits, and other Registrations

(1)	Gasoline Dealer Licenses	248
(2)	Special Fuel Seller Licenses	405
(3)	Special Fuel User Licenses	155
(4)	Special Fuel Tax Exemption Certificates	1,154
(5)	Aviation Gasoline or Turbine Fuel Licenses	67
(6)	Motor Fuel Inspection Registrations	9,083
(7)	Petroleum Transporter Registrations	791
(8)	IFTA Licenses	5,316
(9)	IFTA Decals	39,742

Maryland Fuel Tax Rates

Type of Motor Fuel	Rate as of July 1, 2009	Description
Gasoline	\$.235 per gallon	Ethanol is designated as gasoline
Special Fuel	\$.2425 per gallon	Clear diesel, clear kerosene, and biodiesel
Aviation Gasoline and Turbine Fuel	\$.07 per gallon	Used to power aircrafts
Kerosene, dyed diesel, fuel oil	Tax Free	Dyed fuel is for non-highway use and home heating. Use on public highway prohibited.
Propane, Liquefied Natural Gas (LNG), liquefied petroleum gas (LPG), hydrogen	\$.235 per gasoline-equivalent gallon	Clean-burning fuels

Audits and Tax Administration

Field Audits:

	MOTOR FUEL	IFTA
Completed audits	85	122
Assessments:		
Tax	\$2,978,620	\$139,376
Penalty	297,378	26,158
Interest	1,340,146	24,742
Total Tax Assessments:	<u>\$4,616,144</u>	<u>\$190,276</u>

Internal Audits:

Crosscheck: Dealers, Special Fuel Sellers, and Users	8,140	
<i>Tax Returns Processed:</i>	<u>11,680</u>	<u>1,286</u>

Taxable Gallonage Sales

Gasoline Dealers and Special Fuel Sellers and Users

Reporting Period	Gasoline Dealers	Special Fuel Sellers & Users	Total Taxable Gallons Sold
Jul-09	241,265,792	46,260,752	287,526,544
Aug-09	232,637,342	40,416,705	273,054,047
Sep-09	237,631,836	39,888,377	277,520,213
Oct-09	227,768,302	40,507,590	268,275,892
Nov-09	200,196,270	39,413,048	239,609,318
Dec-09	211,433,840	35,886,353	247,320,193
Jan-10	206,232,712	38,867,970	245,100,682
Feb-10	219,156,209	33,381,326	252,537,535
Mar-10	184,700,790	37,175,709	221,876,499
Apr-10	222,376,484	39,142,708	261,519,192
May-10	232,949,169	43,602,840	276,552,009
Jun-10	233,613,840	38,581,671	272,195,511
TOTAL:	2,649,962,586	473,125,049	3,123,087,635

Note: Motor fuel tax must be reported and paid by the last day of the month following the month in which motor fuel is sold or used in Maryland. Tax-General Article, § 9-308(a)(1), Annotated Code of Maryland

The reporting period represents the gallonage reported for the prior month.

Adjustments to Gross Gallonage

	Temperature and Stock Gallonage Adjustments			Federal Exempt Gallonage	Cost of Collection Allowances		
	Gasoline Dealer	Special Fuel Seller and User	TOTAL	TOTAL	Gasoline Dealer	Special Fuel Seller	TOTAL
Jul-09	261,281	139,732	401,013	159,470	\$115,012	\$25,496	\$140,508
Aug-09	16,682	126,566	143,248	341,164	119,706	36,143	155,849
Sep-09	1,780	108,425	110,205	148,342	115,824	29,583	145,407
Oct-09	14,855	173,258	188,113	121,714	142,663	25,629	168,292
Nov-09	43,128	254,752	297,880	128,438	104,181	24,164	128,345
Dec-09	277,447	98,851	376,298	122,570	108,042	24,659	132,701
Jan-10	1,089,978	242,986	1,332,964	133,251	111,904	16,996	128,900
Feb-10	5,912	152,198	158,110	130,345	91,281	22,530	113,811
Mar-10	793,223	808,748	1,601,971	103,131	119,855	20,170	140,025
Apr-10	648,963	156,685	805,648	130,768	114,488	34,210	148,698
May-10	1,038,240	381,368	1,419,608	103,643	114,828	22,881	137,709
Jun-10	504,751	309,311	814,062	111,322	109,499	37,493	146,992
TOTAL	4,696,240	2,952,880	7,649,120	1,734,158	\$1,367,283	\$319,954	\$1,687,237

Notes:

- (1) Temperature and Stock Gallonage Adjustments: gallonage allowance for evaporation, shrinkage, and handling.
- (2) Cost of Collection Allowances: Under Tax-General Article, § 9-315(a), a licensed gasoline dealer or licensed special fuel seller shall deduct 0.5% of the 1st 10 cents of the motor fuel tax on each gallon of motor fuel as a discount. A certain portion of the discount, or cost of collection allowance, must be allocated and passed-on by the licensed dealer and licensed special fuel seller in accordance with Tax-General Article, § 9-315(b)(2).

Gallonage Summary

	Gallons
Gross Gallons Reported	3,149,343,283
<i>Less Adjustments:</i>	
Temperature & Stock Adjustments	7,649,120
Federal Exempt Purchases	1,734,158
Cost of Collection Allowance	16,872,370
<i>Total Adjustments</i>	26,255,648
Taxable Gallons:	3,123,087,635
Gasoline Dealers	2,649,962,586
Special Fuel Sellers and Users	473,125,049
Taxable Gallons:	3,123,087,635
Aviation Fuel Sellers - Taxable Gallons	13,500,218

Motor Fuel Tax Gross Revenue

Gasoline Dealers

Jul-09	\$	56,697,463
Aug-09		54,669,775
Sep-09		55,843,482
Oct-09		53,525,551
Nov-09		47,046,123
Dec-09		49,686,952
Jan-10		48,464,687
Feb-10		51,501,709
Mar-10		43,404,686
Apr-10		52,258,473
May-10		54,743,055
Jun-10		54,899,252

TOTAL: \$ **622,741,208**

% change prior year -1.2%

Special Fuel Sellers and Users

Jul-09	\$	11,218,232
Aug-09		9,801,052
Sep-09		9,672,932
Oct-09		9,823,091
Nov-09		9,557,666
Dec-09		8,702,441
Jan-10		9,425,481
Feb-10		8,094,972
Mar-10		9,015,110
Apr-10		9,492,107
May-10		10,573,688
Jun-10		9,356,055

TOTAL: \$ **114,732,827**

% change prior year 0.4%

Other Gross Revenue

Motor Carrier Temporary Permit Fees		
Jul-09	\$	21,000
Aug-09		-
Sep-09		12,600
Oct-09		8,400
Nov-09		-
Dec-09		12,600
Jan-10		-
Feb-10		21,000
Mar-10		21,000
Apr-10		21,000
May-10		-
Jun-10		-
TOTAL:	\$	117,600
% change prior year		-20.0%

Miscellaneous: Penalties and Interest			
		<u>Penalty</u>	<u>Interest</u>
Jul-09	\$	3,495	\$ 349
Aug-09		247	7,724
Sep-09		8,822	1,748
Oct-09		2,717	387
Nov-09		7,628	1,582
Dec-09		1,750	465
Jan-10		33	193,556
Feb-10		37,340	5,027
Mar-10		59,015	30,971
Apr-10		129,768	4,764
May-10		8,090	1,131
Jun-10		3,255	3,976
TOTAL:	\$	262,160	\$ 251,680
% change prior year		317.2%	75.8%

"IFTA" Motor Carrier Tax Gross Revenue

	Maryland-Based Motor Carriers	Motor Carriers Based - Other Jurisdictions	Tax Assessments
Jul-09	\$ 219,269	\$ 313,794	\$ 10,322
Aug-09	415,711	778,771	11,988
Sep-09	26,420	799,898	11,370
Oct-09	178,120	243,493	18,088
Nov-09	453,058	671,189	12,402
Dec-09	31,326	841,639	22,455
Jan-10	183,904	98,143	30,861
Feb-10	444,436	176,738	18,675
Mar-10	70,534	91,823	14,595
Apr-10	274,177	33,287	22,619
May-10	251,214	19,613	19,222
Jun-10	74,825	851,972	20,415
TOTAL:	\$ 2,622,994	\$ 4,920,360	\$ 213,012

% change prior year	-4.7%	-39.8%	-31.8%
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**MOTOR FUEL TAX AND MOTOR CARRIER TAX "IFTA"
GROSS REVENUE SUMMARY - FY 2010**

Motor Fuel Tax Revenue:		
Gasoline Dealers	\$ 622,741,208	
Special Fuel Sellers and Users	114,732,827	
Total Motor Fuel Revenue:		\$ 737,474,035
Aviation Fuel Revenue		945,015
Motor Carrier Temporary Permit Revenue		117,600
IFTA Revenue:		
Maryland-Based	\$ 2,622,994	
Based-Other Jurisdictions	4,920,360	
Tax Assessments	213,012	
Total IFTA Revenue		7,756,366
Miscellaneous Revenue: Penalties and Interest		513,840
Total Gross Revenue		\$ 746,806,856

Total Gross
Revenue - %
change prior year -1.5%

Adjustments to Gross Revenue

Motor Fuel Tax Refunds		
Jul-09	\$	594,609
Aug-09		2,876,845
Sep-09		877,392
Oct-09		1,572,673
Nov-09		1,491,656
Dec-09		1,797,919
Jan-10		1,945,143
Feb-10		1,184,441
Mar-10		859,142
Apr-10		389,755
May-10		1,374,672
Jun-10		1,829,997
TOTAL:	\$	16,794,244
% change prior year		12.1%

IFTA Tax Refunds to Other Jurisdictions		
Jul-09	\$	219,640
Aug-09		950,527
Sep-09		247,364
Oct-09		479,194
Nov-09		471,297
Dec-09		537,170
Jan-10		244,423
Feb-10		110
Mar-10		186,021
Apr-10		116,223
May-10		371,156
Jun-10		868
TOTAL:	\$	3,823,993
% change prior year		-44.7%

Administration Expenses		
Jul-09	\$	125,187
Aug-09		1,195,676
Sep-09		781,439
Oct-09		382,780
Nov-09		135,722
Dec-09		1,655,860
Jan-10		3,080,311
Feb-10		-
Mar-10		-
Apr-10		-
May-10		-
Jun-10		1,696,801
TOTAL:	\$	9,053,776
% change prior year		14.5%

MOTOR FUEL TAX AND MOTOR CARRIER TAX "IFTA" REVENUE AND DISTRIBUTION

	<i>Gross Motor Fuel Tax Revenue</i>	<i>Motor Fuel Tax Refunds</i>	<i>"IFTA" Tax Distribution to Other Jurisdictions</i>	<i>"IFTA" Tax Revenue and Motor Carrier Permit Fees to TTF</i>	<i>Administrative Expenses</i>	<i>Aviation Fuel Tax Revenue to TTF</i>	<i>Distribution to Transportation Trust Fund - Tax Increase Factor to TTF</i>	<i>Net Revenue Available for Distribution</i>
Jul-09	\$ 68,623,517	\$ 594,609	\$ 219,640	\$564,385	\$ 125,187	\$ 139,594	\$ 14,453,838	\$ 52,526,267
Aug-09	65,753,570	2,876,845	950,527	1,206,469	1,195,676	68,302	12,830,135	46,625,615
Sep-09	66,445,301	877,391	247,364	850,288	781,439	68,030	13,728,921	49,891,868
Oct-09	63,972,450	1,572,673	479,194	448,101	382,780	172,604	13,145,483	47,771,614
Nov-09	57,817,778	1,491,656	471,297	1,136,649	135,722	68,129	11,763,810	42,750,514
Dec-09	59,349,779	1,797,919	537,170	908,020	1,655,860	50,151	11,739,281	42,661,377
Jan-10	58,448,502	1,945,143	244,423	312,908	3,080,311	51,836	11,396,866	41,417,016
Feb-10	60,344,680	1,184,441	110	660,848	-	44,784	12,614,071	45,840,426
Mar-10	52,748,774	859,142	186,021	197,952	-	41,040	11,105,704	40,358,914
Apr-10	62,314,015	389,755	116,223	351,083	-	77,820	13,245,188	48,133,947
May-10	65,702,758	1,374,672	371,156	290,050	-	86,744	13,720,148	49,859,988
Jun-10	65,285,731	1,829,997	868	947,212	1,696,801	75,981	13,106,160	47,628,712
TOTAL:	\$746,806,855	\$ 16,794,243	\$ 3,823,993	\$7,873,965	\$ 9,053,776	\$ 945,015	\$ 152,849,605	\$ 555,466,258

Note: "TTF" means the Gasoline and Motor Vehicle Revenue Account of the Transportation Trust Fund

Revenue and Distribution Summary

Gross Revenue:	\$746,806,855	
less		
Deductions:		Statutory Authority
Motor Fuel Tax Refunds	\$16,794,243	Tax-General Article, § 2-1101
IFTA Tax Refund- Other Jurisdictions	3,823,993	Tax-General Article, § 9-205, IFTA Agreement
Administrative Expenses	9,053,776	Tax-General Article, § 2-1102
"IFTA" Tax and Motor Carrier Fees	7,873,965	To TTF: Tax-General Article, § 2-1001
Aviation Fuel Tax	945,015	To TTF: Tax-General Article, § 2-1103(1)
Motor Fuel Tax - Tax Increase Factor	152,849,605	To TTF: Tax-General Article, § 2-1103(2)
Total Deductions:	\$191,340,597	
Net Motor Fuel Tax Revenue:	\$555,466,258	

Net Motor Fuel Tax Revenue and Distribution

Distribution pursuant to Tax-General Article, § 2- 1104:	General Fund - \$8,385,845 distribution from 2.3%	Chesapeake Bay 2010 Trust Fund (balance of 2.3%)	Transportation Trust Fund (balance all remaining motor fuel tax revenue)
Jul-09	\$ 1,208,104	\$ -	\$ 51,318,163
Aug-09	1,072,389	-	45,553,226
Sep-09	1,147,513	-	48,744,355
Oct-09	1,098,747	-	46,672,867
Nov-09	983,262	-	41,767,252
Dec-09	981,212	-	41,680,166
Jan-10	952,591	-	40,464,424
Feb-10	922,408	131,922	44,786,096
Mar-10	-	928,255	39,430,659
Apr-10	-	1,107,081	47,026,866
May-10	-	1,146,780	48,713,208
Jun-10	19,619	1,095,460	46,513,633
TOTAL:	\$ 8,385,845	\$ 4,409,498	\$ 542,670,915

Total Distributions - Gasoline and Motor Vehicle Revenue Account - Transportation Trust Fund:

IFTA Taxes: Maryland-Based Motor Carriers	\$ 2,622,994
IFTA Taxes: Other Jurisdictions	\$ 4,920,360
IFTA Tax Assessments	213,012
Motor Carrier Temporary Permit Fees	117,600
Aviation Fuel Tax Revenue	945,015
Tax Increase Distribution	152,849,605
Balance Net Motor Fuel Tax Revenue	542,670,915
TOTAL:	\$ 704,339,501

Notes:

(1) Tax-General Article, § 2-1001 requires that all motor carrier tax revenue and fees collected under Title 9 be distributed to the Gasoline and Motor Vehicle Revenue Account of the Transportation Trust Fund.

(2) Tax-General Article, § 2-1103(1) requires that all aviation fuel tax revenue be distributed to the Gasoline and Motor Vehicle Revenue Account of the Transportation Trust Fund.

(3) Tax-General Article, § 2-1104(d) requires that in fiscal year 2010, \$8,385,845 of 2.3% of the motor fuel tax revenue be distributed to the General Fund, and that the remainder of the 2.3% be distributed to the Chesapeake Bay 2010 Trust Fund. Tax-General Article, § 2-1104(a)(2) requires that all remaining motor fuel tax revenue, after payment of refunds for motor fuel tax and motor carrier tax, administration expenses, and a certain percentage distribution of motor fuel tax revenue to the Gasoline and Motor Vehicle Revenue Account of the Transportation Trust Fund pursuant to Tax-General Article, § 2-1103(2), be distributed to the Gasoline and Motor Vehicle Revenue Account of the Transportation Trust Fund. (Tax factor is 0.215793)

Historical Gallonage Summary

Gasoline Dealers and Special Fuel Sellers and Users

Fiscal Year	Gasoline	Special Fuel	Taxable	Federal Tax Exempt	Total Sales
2001	2,476,684,267	446,723,406	2,923,407,673	2,379,259	2,925,786,932
2002	2,560,667,615	445,199,558	3,005,867,173	2,176,384	3,008,043,557
2003	2,552,362,325	444,655,677	2,997,018,002	2,284,887	2,999,302,889
2004	2,690,443,918	463,861,908	3,154,305,826	2,287,632	3,156,593,458
2005	2,706,755,055	489,832,453	3,196,587,508	2,156,213	3,198,743,721
2006	2,687,845,483	509,407,062	3,197,252,545	2,141,616	3,199,394,161
2007	2,726,794,461	509,104,496	3,235,898,957	2,014,620	3,237,913,577
2008	2,721,145,766	509,725,987	3,230,871,753	1,905,418	3,232,777,171
2009	2,683,201,587	471,350,794	3,154,552,381	1,618,485	3,156,170,866
2010	2,649,962,586	473,125,049	3,123,087,635	1,734,158	3,124,821,793

Historical Net Tax Revenue Summary

(Dollars in thousands)

	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY2008	FY 2009	FY 2010	% Change Prior Year
Gasoline Dealer Tax	\$ 587,097	\$ 597,170	\$ 605,853	\$ 632,349	\$ 634,127	\$ 635,468	\$ 636,353	\$ 638,293	\$ 634,729	\$ 622,741	-1.2%
Special Fuel Seller Tax	107,287	107,029	107,553	113,199	115,073	127,257	123,142	123,219	110,938	114,733	3.8%
Aviation Fuel Sellers Tax	1,493	1,145	1,083	1,391	894	995	1,950	1,470	744	945	27.1%
Motor Carrier Temporary Permits	63	109	92	105	118	135	122	147	147	118	-20.0%
Other Revenue	304	551	379	708	255	338	356	278	206	514	149.5%
Motor Fuel Tax Refunds	(18,622)	(11,940)	(8,565)	(12,206)	(8,200)	(17,282)	(14,408)	(15,512)	(14,979)	(16,794)	12.1%
Net Revenue Subtotal:	\$ 677,622	\$ 694,064	\$ 706,395	\$ 735,546	\$ 742,267	\$ 746,911	\$ 747,515	\$ 747,895	\$ 731,785	\$ 722,257	-1.3%
IFTA Tax Revenue	14,417	14,814	14,485	15,816	16,281	17,206	14,452	14,177	11,239	7,756	-31.0%
IFTA Tax Refunds - Other Jurisdictions	(5,064)	(5,344)	(4,796)	(5,206)	(5,677)	(6,158)	(6,235)	(6,896)	(6,918)	(3,824)	-44.7%
Net Tax Revenue	\$ 686,975	\$ 703,534	\$ 716,084	\$ 746,156	\$ 752,871	\$ 757,959	\$ 755,732	\$ 755,176	\$ 736,106	\$ 726,189	-1.3%

Historical Distribution Summary

(Dollars in thousands)

	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010
Administrative Expenses	\$ 6,642	\$ 6,627	\$ 7,135	\$ 6,797	\$ 6,204	\$ 7,335	\$ 7,774	\$ 7,615	\$ 7,905	\$ 9,054
Waterways Improvement Fund (.3%)	1,563	1,602	1,631	1,699	1,716	1,722	1,721	1,722	0	0
Fisheries Research and Development Fund (.3%)	1,563	1,602	1,631	1,699	1,716	1,722	1,721	1,722	0	0
General Fund - Chesapeake Bay Programs (2.3%)	11,984	12,280	12,505	13,026	13,159	13,207	13,197	13,199	0	0
General Fund									6,500	8,386
Chesapeake Bay 2010 Trust Fund (Remaining 2.3%)									6,416	4,409
Gasoline & Motor Vehicle Revenue Account:										
Transportation Trust Fund	663,810	680,286	692,118	721,676	729,379	732,905	729,621	729,470	714,547	703,394
Transportation Trust Fund (Aviation)	1,412	1,137	1,064	1,259	696	1,067	1,698	1,448	737	945
TOTAL:	\$ 686,974	\$ 703,534	\$ 716,084	\$ 746,156	\$ 752,870	\$ 757,958	\$ 755,732	\$ 755,176	\$ 736,105	\$ 726,188

Counties, Baltimore City, and Municipalities (3% \$ 199,143 \$ 204,086 \$ 207,635 \$ 216,503 \$ 218,814 \$ 219,872 \$ 218,886 \$ 218,841 \$ 214,364 \$ 73,856

Department of Transportation (70%) \$ 464,667 \$ 476,200 \$ 484,483 \$ 505,173 \$ 510,565 \$ 513,033 \$ 510,735 \$ 510,629 \$ 500,183 \$ 492,376

General Fund \$ 137,162

Notes:

(1) Gasoline and motor vehicle revenues are distributed to the Department of Transportation and local governments pursuant to §§ 8-402 and 8-403 of the Transportation Article, Annotated Code of Maryland.

(2) Chapter 484 (Senate Bill 141) - Budget Reconciliation and Financing Act of 2010 amended the allocation provision of § 8-402(c) of the Transportation Article as follows for FY 2010:

(i) 19.5% to General Fund; (ii) 70% to Department of Transportation; and (iii) balance, or 10.5%, to counties, municipalities, and Baltimore City.

Historical Motor Fuel Tax Rates

Dates				Gasoline Tax Rate Per Gallon	Special Fuel Tax Rate Per Gallon
January, 1922	to		December, 1923	0.01	0
January, 1924	to		March, 1927	0.02	0
April, 1927	to		June, 1947	0.04	0
July, 1947	to		May, 1953	0.05	0
June, 1953	to		June, 1964	0.06	0
June, 1964	to		June, 1972	0.06	0.07
July, 1972	to		May, 1982	0.09	0.09
June, 1982	to		May, 1983	0.11	0.11
June, 1983	to		31-May-87	0.135	0.135
June, 1987	to		April, 1992	0.185	0.185
May, 1992	to		December, 1992	0.235	0.1925
January, 1993	to		June, 1993	0.235	0.235
July, 1993	to		Current	0.235	0.2425

History of Motor Fuel Tax and Motor Carrier Tax

1922	0.01	Motor Fuel Tax was created			
01/01/24	0.02	Tax rate increased to 2 cents per gallon			
04/01/27	0.04	Tax rate increased to 4 cents per gallon			
07/01/47	0.05	Tax rate increased to 5 cents per gallon			
06/01/53	0.06	Tax rate increased to 6 cents per gallon			
1953-1957		Motor Carrier Law enacted			
7/1/1964	0.07	Tax rate increased to 7 cents per gallon			
1964-1969		Motor Fuel Inspection Law enacted providing for the inspection and testing of motor fuel products			
7/1/1972	0.09	Tax rate increased to 9 cents per gallon			
1972 - 1978		United States Supreme Court in <i>Exxon, Corp. v. Governor of Maryland</i> , 437 U.S. 117 (1978) upheld Maryland's divestiture law prohibiting producers or refiners from owning and operating retail service stations.			
06/01/82	0.11	Tax rate increased to 11 cents per gallon. Motor carrier decal fee raised to \$25 per vehicle			
06/01/83	0.135	Tax rate increased to 13.5 cents per gallon			
07/01/85		All sellers of special fuel must be licensed and all special fuel sales are subject to taxation except under specific circumstances. Decal fee for motor buses reduced from \$25 to \$10			
06/01/87	0.185	Tax rate increased to 18.5 cents per gallon			
06/01/88		Motor carrier decal registration fee reduced to \$7			
	Gasoline Tax	Aviation Fuel	Special Fuel		
Prior to 05/01/92	0.185	0.05	0.185	The 1992 Special Session of the Maryland General Assembly approved increases in all motor fuel tax rates. This legislation:	
05/01/92				0.1925	increased the gasoline tax rate to 23.5 cents per gallon, the special fuel tax
01/01/93				0.2175	increased the special fuel tax rate to 21.75 cents per gallon
07/01/93		0.07	0.2425	increased the special fuel tax rate to 24.25 cents per gallon	
				imposed a .75 cent per gallon motor carrier surcharge on gasoline and clean-burning fuel powered vehicles.	
07/01/94		0.235	Eliminated the .75 cent per gallon motor carrier surcharge on gasoline and clean-burning fuel powered vehicles		
1996			Maryland enters the International Fuel Tax Agreement (IFTA)		
10/01/00			Requirement to extend temporary voluntary allowances uniformly - effective 9/30/2004		
01/01/01			Motor carrier decal registration fee eliminated		
10/01/01			Sale of motor fuel below cost became illegal		
07/01/02	Cost of collection allowance reduced by 1/2				
10/01/02	Highway vehicles using dyed diesel fuel became illegal				
10/01/04	Requirement to extend temporary voluntary allowances uniformly - effective 9/30/2009				
10/01/09	Requirement to extend temporary voluntary allowances uniformly - repealed				