



Motor Fuel Tax

and Motor Carrier Tax (IFTA)

Annual Report

Fiscal Year

2014



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 2014.

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 cursive script that reads 'Peter Francho'.

Comptroller of Maryland

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INTRODUCTION

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 tax 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 2014: July 1, 2013 through June 30, 2014.

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

In general, after paying refunds, administrative costs of the Comptroller, transfers to the General Fund and the Budget Restoration Fund, 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 2014 was \$ 879,390,715. Compared to fiscal year 2013, fiscal year 2014 tax revenues indicate the following changes: 13.0% increase in gasoline taxes; a 15.6% increase in special fuel taxes; a 4.2 % increase in aviation fuel taxes; a year-end inventory floor tax results from a tax rate increase effective July 1, 2013; and a 8.5% increase in motor

carrier taxes for Maryland-based commercial vehicles; a 100+% increase in motor carrier taxes collected for commercial vehicles based in other jurisdictions, and a 31.3% increase in motor carrier temporary permit fees. There was an overall increase of 13.4% in gross motor fuel tax and motor carrier tax revenues.

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

2013 Legislative Session

1. House Bill 669 – Business Regulation – Introduction of Additives into Gasoline Authorization

- (1) This bill authorizes the Comptroller to allow any person who holds a dealer license other than a Class A dealer license to introduce an additive into gasoline for resale or distribution if the person complies with specified current law and regulations, including regulations that specify the method for introducing an additive into gasoline and to provide for the payment of the motor fuel tax.

EFFECTIVE JUNE 1, 2013.

2. House Bill 1515 – Transportation Infrastructure Investment Act of 2013

- (1) This bill alters motor fuel taxes by indexing motor fuel tax rates, except for aviation and turbine fuel, to inflation beginning in fiscal year 2014
- (2) The bill imposes a 1% sales and use tax equivalent rate on all motor fuel except for aviation and turbine fuel beginning in fiscal year 2014, increasing to 2% beginning on January 1, 2015, and 3% beginning in fiscal 2016;
- (3) Unless federal legislation on sales tax collection is enacted by December 1, 2015, the sales and use tax equivalent rate increases from 3% to 4% beginning January 1, 2016, and then increases to 5% beginning in fiscal year 2017.
- (4) If indeed federal legislation on sales tax collection is enacted and takes effect by December 1, 2015, the sales and use tax equivalent rate remains at 3% and the Comptroller is then required to distribute 4% of total sales and use tax revenues to the Transportation Trust Fund (TTF).

- (5) Additionally, this bill imposes a floor tax on any person possessing tax-paid motor fuel for sale at the start of business on the date that both the sales and use tax equivalent rate or excise tax rate is increased. Individuals are required to compile and file an inventory held at the close of business on the date preceding an increase and remit within thirty (30) days any additional tax that is due.
- (6) The bill increases the debt outstanding limit on Consolidated Transportation Bonds (CTBs) from \$2.6 billion to \$4.5 billion. This bill pledges motor fuel tax revenue to paying the principal of and interest on CTBs as they become payable.
- (7) The bill prohibits the transfer or diversion of funds from TTF to the general fund or a special fund unless the transfer or diversion is approved through legislation passed by a three-fifths majority of specified full standing committees in each of the two houses of the General Assembly and then enacted into law.
- (8) Beginning in fiscal year 2015 and every two years thereafter, the Maryland Transit Administration (MTA) must increase base fare prices and the cost of multiuse passes, to the nearest ten (10) cents, for all transit services except commuter rail and commuter bus service.
- (9) Moreover, this bill requires the Governor to include in the operating or capital budget specified appropriations to the State Highway Administration (SHA) for use in complying with WIP.

EFFECTIVE JUNE 1, 2013.

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.

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, if the dealer or

seller is not taking an allowance for evaporation, shrinkage, and handling. 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

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	254
(2) Special Fuel Seller Licenses	419
(3) Special Fuel User Licenses	115
(4) Special Fuel Tax Exemption Certificates	1,048
(5) Aviation Gasoline or Turbine Fuel Licenses	72
(6) Motor Fuel Inspection Registrations	9,107
(7) Petroleum Transporter Registrations	774
(8) IFTA Licenses	4,766
(9) IFTA Decals	42,602

Maryland Fuel Tax Rates

Type of Motor Fuel	Rate as of July 1, 2013	Description
Gasoline	\$.27 per gallon	Ethanol is designated as gasoline
Special Fuel	\$.2775 per gallon	Clear diesel, clear kerosene, and biodiesel
Aviation Gasoline and Turbine Fuel	\$.07 per gallon	Used to power aircraft
Dyed Kerosene, dyed diesel, fuel oil	Tax Free	Dyed fuel is for non-highway use and home heating. Use on public highway prohibited.
Propane, Compressed Natural Gas (CNG), Liquefied Natural Gas (LNG), liquefied petroleum gas (LPG), hydrogen	\$.27 per gasoline-equivalent gallon	Clean-burning fuels

Audits and Tax Administration

Field Audits:

	<u>MOTOR FUEL</u>	<u>IFTA</u>
Completed audits	75	113
Assessments:		
Tax	\$5,302,678	\$199,368
Penalty	536,681	21,227
Interest	1,143,476	25,449
Total Tax Assessments:	<u>\$6,982,835</u>	<u>\$246,044</u>

Internal Audits:

Crosscheck: Dealers, Special Fuel Sellers, and Users	975	
<i>Tax Returns Processed:</i>	13,224	1,814

Taxable Gallonage Sales

Gasoline Dealers and Special Fuel Sellers and Users

Reporting Period	Gasoline Dealers	Special Fuel Sellers & Users	Total Taxable Gallons Sold
Jul-13	234,348,652	38,915,302	273,263,954
Aug-13	232,944,343	39,140,404	272,084,747
Sep-13	224,791,531	38,056,884	262,848,415
Oct-13	242,459,533	42,228,015	284,687,548
Nov-13	220,570,069	39,016,637	259,586,706
Dec-13	235,721,789	34,363,138	270,084,927
Jan-14	220,264,306	37,484,882	257,749,188
Feb-14	196,974,227	35,593,908	232,568,135
Mar-14	219,795,645	39,027,567	258,823,212
Apr-14	226,107,611	41,403,756	267,511,367
May-14	241,736,480	41,735,989	283,472,469
Jun-14	247,267,458	40,070,051	287,337,509
TOTAL:	2,742,981,644	467,036,533	3,210,018,177

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

Adjustments to Gross Gallonage

	Temperature and Stock Gallonage Adjustments (1)			Federal Exempt Gallonage	Cost of Collection Allowances (2)		
	Gasoline Dealer	Special Fuel Seller and User	TOTAL	TOTAL	Gasoline Dealer	Special Fuel Seller	TOTAL
Jul-13	421,745	125,124	546,869	132,789	\$ 119,354	\$ 30,852	\$ 150,206
Aug-13	57,177	780,958	838,135	122,211	107,487	20,304	127,791
Sep-13	49,561	426,521	476,082	128,931	119,947	20,925	140,872
Oct-13	257,575	220,717	478,292	98,199	117,255	36,487	153,742
Nov-13	375,624	108,624	484,248	59,918	87,594	13,069	100,663
Dec-13	522,535	988,267	1,510,802	150,054	142,732	29,660	172,392
Jan-14	466,264	306,142	772,406	111,342	95,038	19,399	114,437
Feb-14	412,523	449,682	862,205	104,013	120,281	21,228	141,509
Mar-14	283,460	1,082,219	1,365,679	147,941	109,256	21,198	130,454
Apr-14	110,637	269,492	380,129	78,981	132,427	22,683	155,110
May-14	239,915	132,107	372,022	110,838	120,491	23,276	143,767
Jun-14	47,318	29,294	76,612	96,236	114,021	20,366	134,387
TOTAL	3,244,334	4,919,147	8,163,481	1,341,453	\$ 1,385,883	\$ 279,447	\$ 1,665,330

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).

Taxable Gallonage Summary

	Gallons
Gross Gallons Reported	3,210,018,177
<i>Less Adjustments:</i>	
Temperature & Stock Adjustments	8,163,481
Federal Exempt Purchases	1,341,453
Cost of Collection Allowance	6,139,916
<i>Total Adjustments</i>	15,644,850
Taxable Gallons:	3,194,373,327
Gasoline Dealers	2,742,981,644
Special Fuel Sellers and Users	467,036,533
Taxable Gallons:	3,210,018,177
Aviation Fuel Sellers - Taxable Gallons	14,526,053

Taxable Gallonage - FY 2013 and FY 2014

Gasoline Dealers and Special Fuel Sellers or Users

	2013	2014	
Gasoline Dealers	July	236,122,954	234,348,652
	August	210,094,264	232,944,343
	September	230,437,363	224,791,531
	October	244,646,473	242,459,533
	November	224,696,408	220,570,069
	December	242,260,906	235,721,789
	January	223,249,581	220,264,306
	February	209,080,442	196,974,227
	March	221,759,657	219,795,645
	April	228,110,441	226,107,611
	May	269,326,320	241,736,480
	June	248,913,968	247,267,458
	TOTAL	2,788,698,777	2,742,981,644

% change prior year 4.0% -1.6%

	2013	2014	
Special Fuel Sellers and Users	July	39,965,612	38,915,302
	August	41,450,205	39,140,404
	September	38,680,486	38,056,884
	October	39,842,953	42,228,015
	November	39,475,126	39,016,637
	December	37,010,272	34,363,138
	January	37,491,225	37,484,882
	February	34,355,682	35,593,908
	March	35,082,252	39,027,567
	April	39,515,560	41,403,756
	May	40,844,592	41,735,989
	June	38,511,159	40,070,051
	TOTAL	462,225,124	467,036,533

% change prior year -1.0% 1.0%

	2013	2014	
Combined Taxable Gallons Sold	July	276,088,566	273,263,954
	August	251,544,469	272,084,747
	September	269,117,849	262,848,415
	October	284,489,426	284,687,548
	November	264,171,534	259,586,706
	December	279,271,178	270,084,927
	January	260,740,806	257,749,188
	February	243,436,124	232,568,135
	March	256,841,909	258,823,212
	April	267,626,001	267,511,367
	May	310,170,912	283,472,469
	June	287,425,127	287,337,509
	TOTAL	3,250,923,901	3,210,018,177

% change prior year 3.2% -1.3%

AVIATION FUEL

Aviaton Fuel is: (1) aviation gasoline; or (2) turbine fuel, both used to propel aircraft.

Aviation Fuel Sales (Gallons) 14,526,053

Taxable Gallonage: FY 2013 and FY 2014

	2013	2014
July	971,169	1,330,084
August	779,069	1,371,036
September	1,346,923	1,255,956
October	1,070,948	843,777
November	1,057,172	930,806
December	983,688	1,619,786
January	784,000	390,963
February	661,709	1,644,683
March	1,299,821	1,065,901
April	1,038,348	1,240,626
May	1,315,057	1,396,379
June	2,629,271	1,436,056
TOTAL	13,937,175	14,526,053

% change prior year 45.7% 4.2%

Aviation Fuel Tax Gross Revenue - FY 2014		
July	\$	93,106
August		95,973
September		87,917
October		59,064
November		65,156
December		113,385
January		27,367
February		115,128
March		74,613
April		86,844
May		97,747
June		100,524
TOTAL:	\$	1,016,824

% change prior year 4.2%

Motor Fuel Tax Gross Revenue

Gasoline Dealers

Jul-13	\$	63,477,660
Aug-13		62,894,972
Sep-13		60,693,713
Oct-13		65,464,074
Nov-13		59,553,919
Dec-13		63,644,883
Jan-14		59,471,363
Feb-14		53,183,041
Mar-14		59,344,824
Apr-14		61,049,055
May-14		65,268,850
Jun-14		66,762,214

TOTAL: \$ **740,808,568**

% change prior year 13.0%

Special Fuel Sellers and Users

Jul-13	\$	10,801,637
Aug-13		10,861,460
Sep-13		10,560,785
Oct-13		11,718,274
Nov-13		10,827,118
Dec-13		9,535,771
Jan-14		10,402,055
Feb-14		9,877,308
Mar-14		10,830,150
Apr-14		11,489,542
May-14		11,581,737
Jun-14		11,119,442

TOTAL: \$ **129,605,279**

% change prior year 15.6%

Other Gross Revenue

Motor Carrier Temporary Permit Fees

Jul-13	\$	33,600
Aug-13		-
Sep-13		29,400
Oct-13		-
Nov-13		8,400
Dec-13		29,400
Jan-14		-
Feb-14		12,600
Mar-14		8,400
Apr-14		12,600
May-14		21,000
Jun-14		21,000
TOTAL:		\$ 176,400

% change prior year 31.3%

Motor Fuel Tax - Penalties and Interest

		<u>Penalty</u>		<u>Interest</u>
Jul-13	\$	612	\$	8,475
Aug-13		1,835		13,540
Sep-13		2,231		13,235
Oct-13		57,841		77,507
Nov-13		9,535		2,574
Dec-13		426,932		106,438
Jan-14		4,311		6,769
Feb-14		1,855		63,713
Mar-14		57,192		46,354
Apr-14		29,398		12,358
May-14		9,807		4,295
Jun-14		1,418		17,399
TOTAL:		\$ 602,967	\$	372,657

% change prior year 32.0% 70.4%

Other Gross Revenue - Floor Tax

Floor Tax	
Jul-13	\$ 70,390
Aug-13	121,941
Sep-13	26,304
Oct-13	3,203
Nov-13	892
Dec-13	419
Jan-14	-
Feb-14	55,705
Mar-14	-
Apr-14	-
May-14	1,724
Jun-14	169,960
TOTAL:	\$ 450,538

% change prior year -70.1%

"IFTA" Motor Carrier Tax Gross Revenue

	Maryland-Based Motor Carriers	Motor Carriers Based Other Jurisdictions	Tax Assessments
Jul-13	\$ 608,163	\$ 240,634	\$ 31,125
Aug-13	30,834	38,401	32,617
Sep-13	184,517	539,747	29,324
Oct-13	560,752	258,233	18,746
Nov-13	25,857	312,246	22,109
Dec-13	148,147	15,477	105,882
Jan-14	572,687	219,059	8,799
Feb-14	37,273	92,450	38,608
Mar-14	231,107	362,201	17,772
Apr-14	679,255	456,343	26,011
May-14	24,258	38,154	18,978
Jun-14	264,731	26,703	40,282
TOTAL:	\$ 3,367,581	\$ 2,599,648	\$ 390,253

% change prior year	8.5%	100% +	28.2%
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**MOTOR FUEL TAX AND MOTOR CARRIER TAX "IFTA"
GROSS REVENUE SUMMARY - FY 2014**

Motor Fuel Tax Revenue:		
Gasoline Dealers	\$ 740,808,568	
Special Fuel Sellers and Users	129,605,279	
Total Motor Fuel Revenue:		\$ 870,413,847
Aviation Fuel Revenue		1,016,824
Floor Tax Revenue		450,538
Motor Carrier Temporary Permit Revenue		176,400
IFTA Revenue:		
Maryland-Based	\$ 3,367,581	
Based-Other Jurisdictions	2,599,648	
Tax Assessments	390,253	
Total IFTA Revenue		6,357,482
Miscellaneous Revenue: Penalties and Interest		975,624
Total Gross Revenue		\$ 879,390,715

Total Gross
Revenue - %
change prior year 13.4%

Adjustments to Gross Revenue

Motor Fuel Tax Refunds

Jul-13	\$	3,784,165
Aug-13		926,029
Sep-13		14,258,742
Oct-13		1,392,054
Nov-13		11,372,634
Dec-13		3,508,271
Jan-14		1,956,963
Feb-14		6,451,723
Mar-14		6,062,621
Apr-14		5,648,809
May-14		3,774,627
Jun-14		5,943,364
TOTAL:	\$	65,080,002
% change prior year		100.0+%

IFTA Tax Refunds to Other Jurisdictions

Jul-13	\$	835,834
Aug-13		307
Sep-13		126
Oct-13		90,699
Nov-13		1,470
Dec-13		144,975
Jan-14		39,395
Feb-14		69,613
Mar-14		26
Apr-14		21,491
May-14		2,214
Jun-14		189,361
TOTAL:	\$	1,395,511
% change prior year		-28.5%

Administration Expenses

Jul-13		750,566
Aug-13		463,116
Sep-13		2,506,456
Oct-13		-
Nov-13		1,435,022
Dec-13		484,171
Jan-14		487,286
Feb-14		495,324
Mar-14		489,766
Apr-14		1,110,566
May-14		-
Jun-14		587,007
TOTAL:	\$	8,809,280
% change prior year		9.8%

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>Floor Tax Revenue</i>	<i>SUT and CPI Purchases</i>	<i>Administrative Expenses</i>	<i>Net 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-13	\$ 75,365,401	\$ 3,784,165	\$ 835,834	\$ 913,522	\$ 70,390	\$ 8,842,262	\$ 750,566	\$ 93,106	\$ 12,963,884	\$ 47,111,672
Aug-13	74,091,573	926,029	307	101,852	121,941	10,799,706	463,116	95,973	13,289,105	48,293,544
Sep-13	72,167,173	14,258,742	126	782,988	26,304	9,205,226	2,506,456	87,917	9,775,296	35,524,118
Oct-13	78,217,695	1,392,054	90,699	837,731	3,203	9,587,764	-	59,064	14,295,678	51,951,502
Nov-13	70,827,806	11,372,634	1,470	368,612	892	7,241,139	1,435,022	65,156	10,863,641	39,479,240
Dec-13	74,126,734	3,508,271	144,975	298,906	419	11,113,372	484,171	113,385	12,615,957	45,847,278
Jan-14	70,712,411	1,956,963	39,395	800,545	-	9,021,222	487,286	27,367	12,597,916	45,781,717
Feb-14	63,477,680	6,451,723	69,613	180,931	55,705	8,139,885	495,324	115,128	10,351,455	37,617,916
Mar-14	70,972,612	6,062,621	26	619,480	-	9,058,812	489,766	74,613	11,796,819	42,870,475
Apr-14	73,841,405	5,648,809	21,491	1,174,209	-	9,362,898	1,110,566	86,844	12,178,621	44,257,967
May-14	77,066,549	3,774,627	2,214	102,390	1,724	9,921,536	-	97,747	13,630,848	49,535,463
Jun-14	78,523,674	5,943,364	189,361	352,716	169,960	10,056,813	587,007	100,524	13,190,116	47,933,813
TOTAL:	\$ 879,390,713	\$ 65,080,002	\$ 1,395,511	\$ 6,533,882	\$ 450,538	\$ 112,350,635	\$ 8,809,280	\$ 1,016,824	\$ 147,549,336	\$ 536,204,705

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

Revenue and Distribution Summary

Gross Revenue:	\$ 879,390,713	
less		
Deductions:		Statutory Authority
Motor Fuel Tax Refunds	\$ 65,080,002	Tax-General Article, § 2-1101
IFTA Tax Refund-Other Jurisdictions	1,395,511	Tax-General Article, § 9-205, IFTA Agreement
Administrative Expenses	8,809,280	Tax-General Article, § 2-1102
"IFTA" Tax and Motor Carrier Fees	6,533,882	To TTF: Tax-General Article, § 2-1001
Floor Tax Revenue	450,538	To TTF: Tax-General Article, § 9-306, G
Aviation Fuel Tax	1,016,824	To TTF: Tax-General Article, § 2-1103(1)
Motor Fuel Tax - Tax Increase	147,549,336	To TTF: Tax-General Article, § 2-1103(2)
SUT and CPI Purchases	112,350,635	To TTF: Tax-General Article, § 2-1103(4)
Total Deductions:	\$ 343,186,008	
Net Motor Fuel Tax Revenue:	\$536,204,705	

Net Motor Fuel Tax Revenue and Distribution

Distribution pursuant to Tax-General Article, § 2- 1104:	General Fund - \$5,000,000 distribution from 2.3%	Water Way Improvement Fund (balance of 0.5%)	Chesapeake Bay 2010 Trust Fund (balance of 2.3%)	Transportation Trust Fund (balance all remaining motor fuel tax revenue)
Jul-13	\$ 1,083,568	\$ 235,558	\$ -	\$ 45,792,546
Aug-13	1,110,752	241,468	-	46,941,324
Sep-13	817,055	177,621	-	34,529,442
Oct-13	1,194,885	259,758	-	50,496,859
Nov-13	793,740	197,396	114,282	38,373,822
Dec-13	-	229,236	1,054,487	44,563,555
Jan-14	-	228,909	1,052,979	44,499,829
Feb-14	-	188,090	865,212	36,564,614
Mar-14	-	214,352	986,021	41,670,102
Apr-14	-	221,290	1,017,933	43,018,744
May-14	-	247,677	1,139,316	48,148,470
Jun-14	-	239,669	1,102,478	46,591,666
TOTAL:	\$ 5,000,000	\$ 2,681,024	\$ 7,332,708	\$ 521,190,973

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

IFTA Taxes: Maryland-Based Motor Carriers	\$ 3,367,581
IFTA Taxes: Other Jurisdictions	2,599,648
IFTA Tax Assessments	390,253
Motor Carrier Temporary Permit Fees	176,400
Aviation Fuel Tax Revenue	1,016,824
Floor Tax Revenue	450,538
SUT and CPI Purchases	112,350,635
Tax Increase Distribution	147,549,336
Balance Net Motor Fuel Tax Revenue	521,190,973
TOTAL:	\$ 789,092,188

Notes:

(1) Tax-General Article, § 2-1101 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(b) requires that for each fiscal year beginning on or before July 1, 2015, \$5,000,000 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
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
2011	2,663,947,214	470,975,730	3,134,922,944	2,473,163	3,137,396,107
2012	2,682,363,515	466,912,244	3,149,275,759	1,758,620	3,151,034,379
2013	2,788,698,777	466,912,244	3,255,611,021	1,703,916	3,257,314,937
2014	2,742,981,644	467,036,533	3,210,018,177	1,341,453	3,211,359,630

Historical Net Tax Revenue Summary

(Dollars in thousands)

	FY 2005	FY 2006	FY 2007	FY2008	FY 2009	FY 2010	FY 2011	FY 2012	FY2013	FY2014	% Change Prior Year
Gasoline Dealer Tax	\$ 634,127	\$ 635,468	\$ 636,353	\$ 638,293	\$ 634,729	\$ 622,741	\$ 626,028	\$ 630,349	\$ 655,344	\$ 740,808	13.0%
Special Fuel Seller Tax	115,073	127,257	123,142	123,219	110,938	114,733	114,212	113,226	112,090	129,605	15.6%
Aviation Fuel Sellers Tax	894	995	1,950	1,470	744	945	665	670	976	1,017	4.2%
Motor Carrier Temporary Permits	118	135	122	147	147	118	181	147	134	176	31.3%
Other Revenue	255	338	356	278	206	514	260	276	2,184	1,426	-34.7%
Motor Fuel Tax Refunds	(8,200)	(17,282)	(14,408)	(15,512)	(14,979)	(16,794)	(14,880)	(14,257)	(27,745)	(65,080)	134.6%
Net Revenue Subtotal:	\$ 742,267	\$ 746,911	\$ 747,515	\$ 747,895	\$ 731,785	\$ 722,257	\$ 726,466	\$ 730,411	\$ 742,983	\$ 807,952	8.7%
IFTA Tax Revenue	16,281	17,206	14,452	14,177	11,239	7,756	5,112	4,729	4,526	6,357	40.5%
IFTA Tax Refunds - Other Jurisdictions	(5,677)	(6,158)	(6,235)	(6,896)	(6,918)	(3,824)	(2,296)	(1,576)	(1,952)	(1,396)	-28.5%
Net Tax Revenue	\$ 752,871	\$ 757,959	\$ 755,732	\$ 755,176	\$ 736,106	\$ 726,189	\$ 729,282	\$ 733,564	\$ 745,557	\$ 812,913	9.0%

Historical Distribution Summary

(Dollars in thousands)

	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY2013	FY2014
Administrative Expenses	\$ 6,204	\$ 7,335	\$ 7,774	\$ 7,615	\$ 7,905	\$ 9,054	\$ 7,081	8,857	\$ 8,023	\$ 8,809
Waterways Improvement Fund (.3%)	1,716	1,722	1,721	1,722	-	-	-	-	-	2,681
Fisheries Research and Development Fund (.3%)	1,716	1,722	1,721	1,722	-	-	-	-	-	-
General Fund - Chesapeake Bay Programs (2.3%)	13,159	13,207	13,197	13,199	-	-	-	-	-	-
General Fund					6,500	8,386	5,000	5,000	5,000	5,000
Budget Restoration Fund									8,000	-
Chesapeake Bay 2010 Trust Fund (Remaining 2.3%)					6,416	4,409	7,055	7,971	174	7,333
Gasoline & Motor Vehicle Revenue Account:										
Transportation Trust Fund	729,379	732,905	729,621	729,470	714,547	703,394	709,482	711,065	723,384	788,075
Transportation Trust Fund (Aviation)	696	1,067	1,698	1,448	737	945	663	670	976	1,017
TOTAL:	\$ 752,870	\$ 757,958	\$ 755,732	\$ 755,176	\$ 736,105	\$ 726,188	\$ 729,281	\$ 733,563	\$ 745,557	\$ 812,915
Counties, Baltimore City, and Municipalities (30%)	\$ 218,814	\$ 219,872	\$ 218,886	\$ 218,841	\$ 214,364	\$ 73,856	\$ 60,306	\$ 60,441	\$ 61,488	\$ 66,986
Department of Transportation (70%)	510,565	513,033	510,735	510,629	500,183	492,376	485,995	487,080	495,518	539,831
General Fund						137,162	163,181	163,545	166,378	181,257

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 MD.

(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.

(3) Chapter 397 (House Bill 72) - Budget Reconciliation and Financing Act of 2011 amended the allocation provision of § 8-402(c) of the Transportation Article as follows for FY2011:

(i) 23% to General Fund; (ii) 68.5% to Department of Transportation; and (iii) balance, or 8.5% to counties, municipalities, and Baltimore City.

(4) Tax-General Article, § 2-1104(b) requires that for each fiscal year beginning on or before July 1, 2015, \$5,000,000 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. 0.05 % IS distributed to Waterway 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 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		May, 1987	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		June, 2013	0.235	0.2425
July, 2013	to		June, 2014	0.27	0.2775

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	The 1992 Special Session of the Maryland General Assembly approved increases in all motor fuel tax rates. This legislation:
Prior to 05/01/92	0.185	0.05	0.185	
05/01/92	0.235	0.07	0.1925	increased the gasoline tax rate to 23.5 cents per gallon, the special
01/01/93			0.2175	increased the special fuel tax rate to 21.75 cents per gallon
07/01/93			0.2425	increased the special fuel tax rate to 24.25 cents per gallon
07/01/93				imposed a .75 cent per gallon motor carrier surcharge on gasoline and clean-burning fuel powered vehicles.
07/01/94			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			
07/01/13	0.27	0.07	0.2775	Increased the gasoline tax rate to 27. cent per gallon and the Special Fuel tax rate to 27.75 cent per gallon.