



Motor Fuel Tax and Motor Carrier Tax (IFTA) Annual Report

Fiscal Year

2015



Comptroller of Maryland



Peter Franchot
Comptroller

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 2015.

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 my staff in the Revenue Administration Division at 410-260-7890 and we will be happy to help you.

Sincerely,

A handwritten signature in black ink that reads 'Peter Franchot'. The signature is written in a cursive style with a large, stylized 'P' and 'F'.

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 2015: July 1, 2014 through June 30, 2015.

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;
- 30.3 cents for each gallon of gasoline other than aviation gasoline;
- 31.05 cents for each gallon of special fuel other than clean-burning fuel or turbine fuel;
- 7 cents for each gallon of turbine fuel; and
- 30.3 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 2015 was \$961,249,201. Compared to fiscal year 2014, fiscal year 2015 tax revenues indicate the following changes: 8.6% increase in gasoline taxes; a 12.3% increase in special fuel taxes; a 5.8 % increase in aviation fuel taxes; a year-end inventory floor tax results from a tax rate increase effective July 1, 2014; and a 43.8% increase in motor

carrier taxes for Maryland-based commercial vehicles; a 48.0% decrease in motor carrier taxes collected for commercial vehicles based in other jurisdictions, and a 38.1 % decrease in motor carrier temporary permit fees. There was an overall increase of 9.3% 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

Motor Fuel Regulation and Taxes

STATEWIDE:

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

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

If the motor fuel used is gasoline, the 25 taxable fuel use gallons are taxed at a rate of 30.3 cents for each gallon, or \$ 7.58. The motor carrier tax in the amount of \$ 7.58 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	274
(2) Special Fuel Seller Licenses	409
(3) Special Fuel User Licenses	106
(4) Special Fuel Tax Exemption Certificates	977
(5) Aviation Gasoline or Turbine Fuel Licenses	65
(6) Motor Fuel Inspection Registrations	8,750
(7) Petroleum Transporter Registrations	779
(8) IFTA Licenses	4,621
(9) IFTA Decals	38,507

Maryland Fuel Tax Rates

Type of Motor Fuel	Rate as of January 1, 2015	Description
Gasoline	\$.303 per gallon	Ethanol is designated as gasoline
Special Fuel	\$.3105 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	\$.303 per gasoline-equivalent gallon	Clean-burning fuels

Audits and Tax Administration

Field Audits:

	<u>MOTOR FUEL</u>	<u>IFTA</u>
Completed audits	86	87
Assessments:		
Tax	\$7,742,710	\$185,583
Penalty	2,251,041	16,689
Interest	718,927	17,528
Total Tax Assessments:	<u>\$10,712,678</u>	<u>\$219,799</u>

Internal Audits:

Crosscheck: Dealers, Special Fuel Sellers, and Users	94
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Tax Returns Processed:

	15,098	18,574
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Taxable Gallonage Sales

Gasoline Dealers and Special Fuel Sellers and Users

Reporting Period	Gasoline Dealers	Special Fuel Sellers & Users	Total Taxable Gallons Sold
Jul-14	244,982,131	42,098,967	287,081,098
Aug-14	236,441,287	39,045,116	275,486,403
Sep-14	231,145,799	40,100,826	271,246,625
Oct-14	218,416,441	42,346,808	260,763,249
Nov-14	221,868,202	39,587,007	261,455,209
Dec-14	257,456,962	41,076,732	298,533,694
Jan-15	208,723,049	38,705,276	247,428,325
Feb-15	204,593,298	38,329,967	242,923,265
Mar-15	229,047,314	42,188,520	271,235,834
Apr-15	236,515,388	41,969,960	278,485,348
May-15	252,045,980	42,375,579	294,421,559
Jun-15	248,850,221	43,780,403	292,630,624
TOTAL:	2,790,086,072	491,605,161	3,281,691,233

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-14	117,009	81,718	198,727	176,672	\$ 123,897	\$ 28,195	\$ 152,092
Aug-14	308,766	83,568	392,334	122,545	113,352	18,525	131,877
Sep-14	144,084	108,815	252,899	216,901	106,225	24,403	130,628
Oct-14	95,610	91,056	186,666	151,964	111,087	24,034	135,121
Nov-14	360,150	78,804	438,954	102,852	115,702	20,990	136,692
Dec-14	515,551	774,832	1,290,383	110,616	117,872	25,471	143,343
Jan-15	209,502	1,202,898	1,412,400	94,259	106,724	21,565	128,289
Feb-15	357,136	840,868	1,198,004	132,480	111,894	22,134	134,028
Mar-15	353,278	138,739	492,017	267,714	95,466	24,673	120,139
Apr-15	130,168	829,965	960,133	465,451	123,047	23,584	146,631
May-15	264,708	262,693	527,401	142,960	147,991	24,974	172,965
Jun-15	55,968	389,205	445,173	91,523	137,662	23,426	161,088
TOTAL	2,911,930	4,883,161	7,795,091	2,075,937	\$ 1,410,919	\$ 281,974	\$ 1,692,893

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	3,281,691,233
<i>Less Adjustments:</i>	
Temperature & Stock Adjustments	7,795,091
Federal Exempt Purchases	2,075,937
Cost of Collection Allowance	6,184,426
<i>Total Adjustments</i>	16,055,454
Taxable Gallons:	3,265,635,779
Gasoline Dealers	2,790,086,072
Special Fuel Sellers and Users	491,605,161
Taxable Gallons:	3,281,691,233
Aviation Fuel Sellers - Taxable Gallons	15,371,447

Taxable Gallonage - FY 2014 and FY 2015

Gasoline Dealers and Special Fuel Sellers or Users

		2014	2015
Gasoline Dealers	July	234,348,652	244,982,131
	August	232,944,343	236,441,287
	September	224,791,531	231,145,799
	October	242,459,533	218,416,441
	November	220,570,069	221,868,202
	December	235,721,789	257,456,962
	January	220,264,306	208,723,049
	February	196,974,227	204,593,298
	March	219,795,645	229,047,314
	April	226,107,611	236,515,388
	May	241,736,480	252,045,980
	June	247,267,458	248,850,221
	TOTAL	2,742,981,644	2,790,086,072
% change prior year		-1.6%	1.7%

		2014	2015
Special Fuel Sellers and Users	July	38,915,302	42,098,967
	August	39,140,404	39,045,116
	September	38,056,884	40,100,826
	October	42,228,015	42,346,808
	November	39,016,637	39,587,007
	December	34,363,138	41,076,732
	January	37,484,882	38,705,276
	February	35,593,908	38,329,967
	March	39,027,567	42,188,520
	April	41,403,756	41,969,960
	May	41,735,989	42,375,579
	June	40,070,051	43,780,403
	TOTAL	467,036,533	491,605,161
% change prior year		1.0%	5.3%

		2014	2015
Combined Taxable Gallons Sold	July	273,263,954	287,081,098
	August	272,084,747	275,486,403
	September	262,848,415	271,246,625
	October	284,687,548	260,763,249
	November	259,586,706	261,455,209
	December	270,084,927	298,533,694
	January	257,749,188	247,428,325
	February	232,568,135	242,923,265
	March	258,823,212	271,235,834
	April	267,511,367	278,485,348
	May	283,472,469	294,421,559
	June	287,337,509	292,630,624
	TOTAL	3,210,018,177	3,281,691,233
% change prior year		-1.3%	2.2%

AVIATION FUEL

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

Aviation Fuel Sales (Gallons) **15,371,447**

Taxable Gallonage: FY 2014 and FY 2015

	2014	2015
July	1,330,084	1,691,891
August	1,371,036	1,426,394
September	1,255,956	1,464,867
October	843,777	1,123,048
November	930,806	1,353,856
December	1,619,786	893,855
January	390,963	1,732,120
February	1,644,683	1,110,168
March	1,065,901	1,207,968
April	1,240,626	1,175,742
May	1,396,379	1,096,352
June	1,436,056	1,095,186
TOTAL	14,526,053	15,371,447

% change prior year 4.2% 5.8%

Aviation Fuel Tax Gross Revenue - FY 2015	
July	\$ 118,432
August	99,848
September	102,541
October	78,613
November	94,770
December	62,570
January	121,248
February	77,712
March	84,558
April	82,302
May	76,745
June	76,663
TOTAL:	\$ 1,076,002

% change prior year 5.8%

Motor Fuel Tax Gross Revenue

Gasoline Dealers

Jul-14	\$	67,123,322
Aug-14		64,784,913
Sep-14		63,333,949
Oct-14		59,846,105
Nov-14		60,791,887
Dec-14		70,543,208
Jan-15		63,243,084
Feb-15		61,991,769
Mar-15		69,401,336
Apr-15		71,664,163
May-15		76,369,932
Jun-15		75,401,617

TOTAL: \$ **804,495,284**

% change prior year 8.6%

Special Fuel Sellers and Users

Jul-14	\$	11,846,649
Aug-14		10,991,200
Sep-14		11,288,383
Oct-14		11,920,627
Nov-14		11,143,743
Dec-14		11,563,100
Jan-15		12,017,986
Feb-15		11,901,548
Mar-15		13,099,536
Apr-15		13,031,672
May-15		13,157,617
Jun-15		13,593,815

TOTAL: \$ **145,555,875**

% change prior year 12.3%

Other Gross Revenue

Motor Carrier Temporary Permit Fees

Jul-14	\$	-
Aug-14		12,600
Sep-14		8,400
Oct-14		-
Nov-14		12,600
Dec-14		-
Jan-15		-
Feb-15		21,000
Mar-15		21,000
Apr-15		12,600
May-15		8,400
Jun-15		12,600
TOTAL:		\$ 109,200

% change prior year -38.1%

Motor Fuel Tax - Penalties and Interest

		<u>Penalty</u>		<u>Interest</u>
Jul-14	\$	1,633	\$	1,339
Aug-14		153,104		322,185
Sep-14		5,448		9,316
Oct-14		62,854		30,732
Nov-14		44,312		114,433
Dec-14		21,732		28,029
Jan-15		4,043		24,215
Feb-15		11,165		13,142
Mar-15		41,556		33,953
Apr-15		376,797		516,658
May-15		43,777		9,807
Jun-15		2,359		49,280
TOTAL:		\$ 768,780	\$	1,153,090

% change prior year 27.5% (+)100%

Other Gross Revenue - Floor Tax

Floor Tax	
Jul-14	\$ 17,007
Aug-14	704
Sep-14	97
Oct-14	423
Nov-14	35,383
Dec-14	1,039,077
Jan-15	43,041
Feb-15	34,042
Mar-15	1,483
Apr-15	1,352
May-15	15,378
Jun-15	581,482
TOTAL:	\$ 1,769,469

% change prior year

(+)100%

Other Gross Revenue - Floor Tax

CPI and SUT	
Jul-14	\$ 11,196,163
Aug-14	10,743,970
Sep-14	10,578,618
Oct-14	10,169,767
Nov-14	10,196,753
Dec-14	11,642,814
Jan-15	16,825,126
Feb-15	16,518,780
Mar-15	18,444,035
Apr-15	18,937,002
May-15	20,020,667
Jun-15	19,898,882
TOTAL:	\$ 175,172,578

% change prior year

55.9%

"IFTA" Motor Carrier Tax Gross Revenue

	Maryland-Based Motor Carriers	Motor Carriers Based Other Jurisdictions
Jul-14	\$ 768,370	\$ 192,412
Aug-14	65,978	13,895
Sep-14	290,126	128,028
Oct-14	700,775	265,186
Nov-14	118,243	20,904
Dec-14	311,284	20,775
Jan-15	743,847	49,364
Feb-15	117,710	442,994
Mar-15	338,771	18,398
Apr-15	803,446	133,632
May-15	153,262	29,425
Jun-15	557,439	37,237
TOTAL:	\$ 4,969,251	\$ 1,352,250

% change prior year 32.2% -48.0%

**MOTOR FUEL TAX AND MOTOR CARRIER TAX "IFTA"
GROSS REVENUE SUMMARY - FY 2015**

Motor Fuel Tax Revenue:		
Gasoline Dealers	\$ 804,495,284	
Special Fuel Sellers and Users	145,555,875	
Total Motor Fuel Revenue:		\$ 950,051,160
Aviation Fuel Revenue		1,076,002
Floor Tax Revenue		1,769,468
Motor Carrier Temporary Permit Revenue		109,200
IFTA Revenue:		
Maryland-Based	\$ 4,842,282	
Based-Other Jurisdictions	1,352,250	
Tax Assessments	126,970	
Total IFTA Revenue		6,321,502
Miscellaneous Revenue: Penalties and Interest		1,921,869
Total Gross Revenue		\$ 961,249,201

Total Gross
Revenue - %
change prior year 9.3%

Adjustments to Gross Revenue

Motor Fuel Tax Refunds

Jul-14	\$	1,489,206
Aug-14		7,282,520
Sep-14		2,087,787
Oct-14		6,521,277
Nov-14		1,923,697
Dec-14		2,381,969
Jan-15		1,638,695
Feb-15		2,875,485
Mar-15		1,896,541
Apr-15		3,867,570
May-15		3,342,277
Jun-15		1,135,523
TOTAL:	\$	36,442,547
% change prior year		44.0%

IFTA Tax Refunds to Other Jurisdictions

Jul-14	\$	1,362
Aug-14		425,495
Sep-14		1,758
Oct-14		134,846
Nov-14		2,772
Dec-14		67,559
Jan-15		1,014
Feb-15		455
Mar-15		432,410
Apr-15		614
May-15		146,133
Jun-15		(274)
TOTAL:	\$	1,214,144
% change prior year		13.0%

Administration Expenses

Jul-14		818,212
Aug-14		486,869
Sep-14		1,004,012
Oct-14		491,623
Nov-14		2,071,009
Dec-14		1,448,413
Jan-15		517,786
Feb-15		667,373
Mar-15		470,991
Apr-15		840,262
May-15		-
Jun-15		200,011
TOTAL:	\$	9,016,561
% change prior year		2.4%

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-14	\$ 80,069,165	\$ 1,489,206	\$ 1,362	\$ 960,783	\$ 17,007	11,196,163	\$ 818,212	\$ 118,432	\$ 14,127,536	\$ 51,340,464
Aug-14	76,444,426	7,282,520	425,495	92,473	704	10,743,970	486,869	99,848	12,367,647	44,944,901
Sep-14	75,166,287	2,087,787	1,758	426,554	97	10,578,618	1,004,012	102,541	13,155,803	47,809,116
Oct-14	72,905,314	6,521,277	134,846	965,961	423	10,169,767	491,623	78,613	11,769,956	42,772,849
Nov-14	72,376,274	1,923,697	2,772	151,747	35,383	10,196,753	2,071,009	94,770	12,494,446	45,405,698
Dec-14	83,589,775	2,381,969	67,559	332,060	1,039,077	11,642,814	1,448,413	62,570	14,375,118	52,240,195
Jan-15	76,246,830	1,638,695	1,014	793,211	43,041	16,825,126	517,786	121,248	12,150,593	44,156,116
Feb-15	74,611,081	2,875,485	455	581,704	34,042	16,518,780	667,373	77,712	11,621,646	42,233,884
Mar-15	83,040,590	1,896,541	432,410	378,169	1,483	18,444,035	470,991	84,558	13,235,103	48,097,300
Apr-15	86,622,623	3,867,570	614	949,678	1,352	18,937,002	840,262	82,302	13,367,047	48,576,796
May-15	89,864,343	3,342,277	146,133	191,087	15,378	20,020,667	-	76,745	14,257,887	51,814,169
Jun-15	90,312,493	1,135,523	(274)	607,276	581,482	19,898,882	200,011	76,663	14,633,555	53,179,374
TOTAL:	\$ 961,249,203	\$ 36,442,547	\$ 1,214,144	\$ 6,430,703	\$ 1,769,469	\$ 175,172,578	\$ 9,016,561	\$ 1,076,002	\$ 157,556,337	\$ 572,570,862

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

Revenue and Distribution Summary

Gross Revenue:	\$ 961,249,203	
less		
Deductions:		Statutory Authority
Motor Fuel Tax Refunds	\$ 36,442,547	Tax-General Article, § 2-1101
IFTA Tax Refund-Other Jurisdictions	1,214,144	Tax-General Article, § 9-205, IFTA Agreement
Administrative Expenses	9,016,561	Tax-General Article, § 2-1102
"IFTA" Tax and Motor Carrier Fees	6,430,703	To TTF: Tax-General Article, § 2-1001 To TTF: Tax-General Article, § 9-306, G
Floor Tax Revenue	1,769,469	To TTF: Tax-General Article, § 2-1103(1)
Aviation Fuel Tax	1,076,002	To TTF: Tax-General Article, § 2-1103(2)
Motor Fuel Tax - Tax Increase Factor	157,556,337	To TTF: Tax-General Article, § 2-1103(4)
SUT and CPI Purchases	175,172,578	
Total Deductions:	\$ 388,678,341	
Net Motor Fuel Tax Revenue:	\$572,570,862	

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-14	\$ 1,180,831	\$ 256,702	\$ -	\$ 49,902,931
Aug-14	1,033,733	224,725	-	43,686,444
Sep-14	1,099,610	239,046	-	46,470,461
Oct-14	983,776	213,864	-	41,575,209
Nov-14	702,051	227,028	342,280	44,134,338
Dec-14	-	261,201	1,201,524	50,777,470
Jan-15	-	220,781	1,015,591	42,919,745
Feb-15	-	211,169	971,379	41,051,336
Mar-15	-	240,487	1,106,238	46,750,576
Apr-15	-	242,885	1,117,266	47,216,645
May-15	-	259,071	1,191,725	50,363,373
Jun-15	-	265,897	1,223,126	51,690,352
TOTAL:	\$ 5,000,000	\$ 2,862,855	\$ 8,169,128	\$ 556,538,878

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

IFTA Taxes: Maryland-Based Motor Carriers	\$ 4,842,282
IFTA Taxes: Other Jurisdictions	1,352,250
IFTA Tax Assessments	126,970
Motor Carrier Temporary Permit Fees	109,200
Aviation Fuel Tax Revenue	1,076,002
Floor Tax Revenue	1,769,469
SUT and CPI Purchases	175,172,578
Tax Increase Distribution	157,556,337
Balance Net Motor Fuel Tax Revenue	556,538,878
TOTAL:	\$ 898,543,966

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	462,225,124	3,250,923,901	1,703,916	3,252,627,817
2014	2,742,981,644	467,036,533	3,210,018,177	1,341,453	3,211,359,630
2015	2,790,086,072	491,605,161	3,281,691,233	2,075,937	3,283,767,170

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	FY2015	% 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	\$ 804,495	8.6%
Special Fuel Seller Tax	115,073	127,257	123,142	123,219	110,938	114,733	114,212	113,226	112,090	129,605	145,555	12.3%
Aviation Fuel Sellers Tax	894	995	1,950	1,470	744	945	665	670	976	1,017	1,075	5.7%
Motor Carrier Temporary Permits	118	135	122	147	147	118	181	147	134	176	109	-38.1%
Other Revenue	255	338	356	278	206	514	260	276	2,184	1,426	3,691	158.8%
Motor Fuel Tax Refunds	(8,200)	(17,282)	(14,408)	(15,512)	(14,979)	(16,794)	(14,880)	(14,257)	(27,745)	(65,080)	(36,444)	-44.0%
Net Revenue Subtotal:	\$ 742,267	\$ 746,911	\$ 747,515	\$ 747,895	\$ 731,785	\$ 722,257	\$ 726,466	\$ 730,411	\$ 742,983	\$ 807,952	\$ 918,481	13.7%
IFTA Tax Revenue	16,281	17,206	14,452	14,177	11,239	7,756	5,112	4,729	4,526	6,357	6,321	-0.6%
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)	(1,214)	-13.0%
Net Tax Revenue	\$ 752,871	\$ 757,959	\$ 755,732	\$ 755,176	\$ 736,106	\$ 726,189	\$ 729,282	\$ 733,564	\$ 745,557	\$ 812,913	\$ 923,588	13.6%

Historical Distribution Summary

(Dollars in thousands)

	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY2013	FY2014	FY2015
Administrative Expenses	\$ 6,204	\$ 7,335	\$ 7,774	\$ 7,615	\$ 7,905	\$ 9,054	\$ 7,081	8,857	\$ 8,023	\$ 8,809	\$ 9,016
Waterways Improvement Fund (.3%)	1,716	1,722	1,721	1,722	-	-	-	-	-	2,681	2,862
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	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	8,169
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	898,543
Transportation Trust Fund (Aviation)	696	1,067	1,698	1,448	737	945	663	670	976	1,017	1,076
TOTAL:	\$ 752,870	\$ 757,958	\$ 755,732	\$ 755,176	\$ 736,105	\$ 726,188	\$ 729,281	\$ 733,563	\$ 745,557	\$ 812,915	\$ 924,666

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	\$ 76,376
Department of Transportation (70%)	510,565	513,033	510,735	510,629	500,183	492,376	485,995	487,080	495,518	539,831	615,502
General Fund						137,162	163,181	163,545	166,378	181,257	206,665

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
- (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 ity.
- (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 Transporation 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
July, 2014	to		December, 2014	0.274	0.2815
January, 2015	to		June, 2015	0.303	0.3105

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		
07/01/64	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		
07/01/72	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
Prior to 05/01/92	0.185	0.05	0.185	Assembly approved increases in all motor fuel tax rates.
05/01/92	0.235	0.07	0.1925	increased the gasoline tax rate to 23.5 cents per gallon,
01/01/93	0.235	0.07	0.2175	increased the special fuel tax rate to 21.75 cents per
07/01/93	0.235	0.07	0.2425	increased the special fuel tax rate to 24.25 cents per
07/01/93	0.235			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
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
				Increase the gasoline tax rate 27.0 cent per gallon and the
07/01/13	0.27	0.07	0.2775	Special Fuel 27.75 cent per gallon.
				Increase the gasoline tax rate 27.4 cent per gallon and the
07/01/14	0.274	0.07	0.2815	Special Fuel 28.15 cent per gallon.
				Increase the gasoline tax rate 30.3 cent per gallon and the
01/01/15	0.303	0.07	0.3105	Special Fuel 31.05 cent per gallon.