

Andrew Klein

FROM	NAME & TITLE	Andrew Kleine, Chief
	AGENCY NAME & ADDRESS	Bureau of Budget and Management Research Room 432, City Hall (410) 396-4941
	SUBJECT	City Council CCB 13-0213 – Change to Grow: 10-Year Plan – Excise Tax on Passenger-for-Hire Services

CITY of
BALTIMORE
MEMO



TO

DATE: May 7, 2013

Honorable President and
Members of the City Council
C/O Karen Randle
Room 409, City Hall

City Council Bill 13-0213 – Change to Grow: 10-Year Plan - Excise Tax on Passenger-for-Hire Services is one of the Ten Year Plan’s new revenue measures. It repeals and reestablishes the Public Passenger Vehicle Tax that was levied on the City’s private buses until the State of Maryland took over the systems. It is re-established with a levy on taxi cabs and limousines.

Analysis

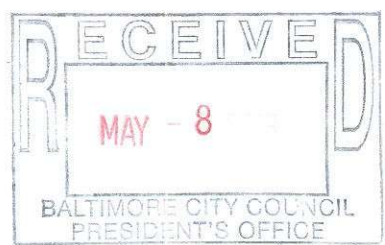
The proposed legislation is part of the Change to Grow: Ten Year Plan. The plan is dependent on this additional revenue source to eliminate blight, improve schools and reduce property taxes. One focus of the plan is to diversify the City’s revenue stream and create a more equitable contribution to the cost of City services.

The Public Passenger Vehicle Tax is levied and imposed on every person who operates a passenger-for-hire service within, from, or to Baltimore City. The amount of the tax imposed is 25 cents for each passenger being transported, for a fee, on any 1 trip between points within Baltimore City; from a point within Baltimore City to a point outside of Baltimore City; or from a point outside Baltimore City to a point within Baltimore City.

In addition to exemptions for a governmental entity, an instrumentality or unit of a government entity, the following entities/operators are exempt from the Public Passenger Vehicle Tax:

1. Transportation services operated by or under contract with:
 - a. A unit of the federal, State, or local government or an exempt nonprofit entity
 - b. An ambulance
 - c. A funeral limousine, coach, service wagon or similar vehicle

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Fiscal Impact

The Department of Finance estimates that passage of the Public Passenger Vehicle Tax will result in an additional \$1.3M in annual revenues for the City.

Recommendation

The Finance Department supports CCB 13-0213.

CC: Harry Black
Angela Gibson
William Voorhees