

**CITY OF BALTIMORE
COUNCIL BILL 13-0213
(First Reader)**

Introduced by: The Council President
At the request of: The Administration (Department of Finance)
Introduced and read first time: April 22, 2013

Assigned to: Taxation, Finance and Economic Development Committee

REFERRED TO THE FOLLOWING AGENCIES: City Solicitor, Department of Finance, Baltimore
Development Corporation, Downtown Partnership

A BILL ENTITLED

1 AN ORDINANCE concerning

2 **Change to Grow: 10-Year Plan – Excise Tax on Passenger-for-Hire Services**

3 FOR the purpose of substituting the gross receipts tax imposed on certain public passenger
4 vehicles with a transactional excise tax on certain passenger-for-hire services; setting the
5 amount of the tax; specifying certain exceptions; providing for the administration of the tax;
6 authorizing the adoption of rules and regulations governing the tax and its administration;
7 requiring certain reports and record keeping; imposing certain interest, civil penalties, and
8 criminal penalties; defining certain terms; clarifying, and conforming related language;
9 providing for a special effective date; and generally relating to the imposition and collection
10 of an excise tax on public passenger motor vehicles.

11 BY repealing and reordaining, with amendments

12 Article 28 - Taxes
13 Subtitle 24
14 Baltimore City Code
15 (Edition 2000)

16 **SECTION 1. BE IT ORDAINED BY THE MAYOR AND CITY COUNCIL OF BALTIMORE,** That the
17 Laws of Baltimore City read as follows:

18 **Baltimore City Code**

19 **Article 28. Taxes**

20 **[Subtitle 24. Public Passenger Vehicle Gross Receipts Tax]**

21 **SUBTITLE 24. PASSENGER-FOR-HIRE SERVICES**

22 **§ 24-1. DEFINITIONS.**

23 (A) *IN GENERAL.*

24 IN THIS SUBTITLE, THE FOLLOWING TERMS HAVE THE MEANINGS INDICATED.

EXPLANATION: CAPITALS indicate matter added to existing law.
[Brackets] indicate matter deleted from existing law.

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1 (B) *FINANCE DIRECTOR; DIRECTOR.*

2 “FINANCE DIRECTOR” OR “DIRECTOR” MEANS THE DIRECTOR OF FINANCE OR A DESIGNEE
3 OF THE DIRECTOR OF FINANCE .

4 (C) *OPERATOR.*

5 “OPERATOR” MEANS ANY PERSON WHO OWNS, CONTROLS, OPERATES, OR MANAGES A
6 PASSENGER-FOR-HIRE SERVICE.

7 (D) *PASSENGER-FOR-HIRE SERVICE.*

8 (1) *IN GENERAL.*

9 “PASSENGER-FOR-HIRE SERVICE” MEANS ANY TAXICAB SERVICE, LIMOUSINE SERVICE,
10 OR SEDAN SERVICE THAT, FOR A FEE, TRANSPORTS PASSENGERS WITHIN, FROM, OR TO
11 BALTIMORE CITY.

12 (2) *SUPPLEMENTAL DEFINITIONS.*

13 “TAXICAB SERVICE”, “LIMOUSINE SERVICE”, AND “SEDAN SERVICE” HAVE THE
14 MEANINGS STATED IN THE STATE PUBLIC UTILITIES ARTICLE § 10-101.

15 (E) *PERSON.*

16 (1) *IN GENERAL.*

17 “PERSON” MEANS:

18 (I) AN INDIVIDUAL;

19 (II) A PARTNERSHIP, FIRM, ASSOCIATION, LIMITED LIABILITY COMPANY,
20 CORPORATION, OR OTHER ENTITY OF ANY KIND; AND

21 (III) A RECEIVER, TRUSTEE, GUARDIAN, PERSONAL REPRESENTATIVE,
22 FIDUCIARY, OR REPRESENTATIVE OF ANY KIND.

23 (2) *EXCLUSIONS.*

24 “PERSON” DOES NOT INCLUDE A GOVERNMENTAL ENTITY OR AN INSTRUMENTALITY OR
25 UNIT OF A GOVERNMENTAL ENTITY.

26 **§ 24-2. [§ 24-1.] Tax imposed[; rate].**

27 [There is hereby] AN EXCISE TAX IS levied and imposed [upon] ON every person[, firm, or
28 corporation operating public passenger motor vehicles over fixed routes in the City of
29 Baltimore, and having a permit or permits from the Public Service Commission of Maryland,
30 authorizing both the taking on and discharging of passengers at more than 1 point within
31 Baltimore City and/or the transportation between 2 or more points within said City, whether

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1 by electricity, gasoline, or other motive power, an annual tax of 3% upon gross receipts of
2 any such person, firm or corporation] WHO OPERATES A PASSENGER-FOR-HIRE SERVICE
3 WITHIN, FROM, OR TO BALTIMORE CITY.

4 **§ 24-3. AMOUNT OF TAX.**

5 THE AMOUNT OF THE TAX IMPOSED IS 25¢ FOR EACH PASSENGER BEING TRANSPORTED, FOR A
6 FEE, ON ANY 1 TRIP:

- 7 (1) BETWEEN POINTS WITHIN BALTIMORE CITY;
- 8 (2) FROM A POINT WITHIN BALTIMORE CITY TO A POINT OUTSIDE BALTIMORE CITY; OR
- 9 (3) FROM A POINT OUTSIDE BALTIMORE CITY TO A POINT WITHIN BALTIMORE CITY.

10 **§ 24-4. [§ 24-2.] Exceptions.**

11 [(a) *Interstate; school buses.*]

12 [Provided, that this tax shall] THIS SUBTITLE DOES not apply to:

- 13 (1) TRANSPORTATION SERVICES OPERATED BY OR UNDER CONTRACT WITH:
 - 14 (I) A UNIT OF FEDERAL, STATE, OR LOCAL GOVERNMENT; OR
 - 15 (II) A NONPROFIT ENTITY THAT IS EXEMPT FROM TAXATION UNDER § 501(C)(3) OR
 - 16 § 501(C)(4) OF THE INTERNAL REVENUE CODE;
- 17 (2) AN AMBULANCE THAT IS CLASSIFIED AS A CLASS C (FUNERAL AND AMBULANCE)
- 18 VEHICLE UNDER STATE TRANSPORTATION ARTICLE § 13-914), IS OWNED OR OPERATED
- 19 BY A LICENSED AMBULANCE SERVICE OR BY A VOLUNTEER FIRE COMPANY OR RESCUE
- 20 SQUAD, AND IS BEING USED TO TRANSPORT AN INDIVIDUAL WHO IS SICK, INJURED,
- 21 WOUNDED, OR OTHERWISE INCAPACITATED; OR
- 22 (3) A FUNERAL LIMOUSINE, COACH, SERVICE WAGON, OR SIMILAR VEHICLE THAT IS
- 23 CLASSIFIED AS A CLASS C (FUNERAL AND AMBULANCE) VEHICLE UNDER STATE
- 24 TRANSPORTATION ARTICLE § 13-914), IS OWNED OR OPERATED BY A LICENSED
- 25 FUNERAL ESTABLISHMENT, FUNERAL DIRECTOR, OR MORTICIAN, AND IS BEING USED TO
- 26 TRANSPORT INDIVIDUALS TO, FROM, OR DURING A FUNERAL SERVICE.
- 27 [(1) receipts from vehicles engaged in interstate commerce and not accepting persons
- 28 for transportation between points in Baltimore City; and
- 29 (2) the receipts from school buses operating by or under contract with school
- 30 authorities and carrying pupils only;]
- 31
- 32

33 [(b) *Partial operation in City.*]

34 [Provided further that, as to any vehicles subject to the tax hereby imposed which operate

35 partly in Baltimore City and partly outside thereof, the tax shall be upon that proportion

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1 only of its receipts that the mileage it operates in the City of Baltimore bears to the total
2 mileage operated.]

3 **§ 24-5. [§ 24-3. Remittance] MONTHLY REMITTANCE AND REPORTS.**

4 (A) *REMITTANCE.*

5 The [said] OPERATOR OF THE PASSENGER-FOR-HIRE SERVICE MUST REMIT THE tax
6 IMPOSED BY THIS SUBTITLE [shall be paid quarterly to the City of Baltimore on April 10,
7 July 10, October 10, and January 10, in each year] TO THE FINANCE DIRECTOR ON OR
8 BEFORE THE 25TH DAY OF THE MONTH FOLLOWING THE MONTH IN WHICH THE SERVICE WAS
9 PROVIDED.

10 (B) *REPORTS.*

11 (1) EACH REMITTANCE MUST BE ACCOMPANIED BY A REPORT OF ALL SERVICE
12 TRANSACTIONS FOR THE MONTH.

13 (2) THE REPORT MUST BE IN THE FORM AND CONTAIN THE INFORMATION THAT THE
14 FINANCE DIRECTOR REQUIRES.

15 **§ 24-6. [§ 24-5. Civil] INTEREST AND CIVIL penalties.**

16 [Upon default of any person, firm, or corporation in the payment of taxes imposed by this
17 subtitle, or any installment thereof, for a period of 10 days, the person, firm, or corporation so
18 in default shall pay a penalty at the rate of 1% per month.]

19 IF THE OPERATOR FAILS TO REMIT THE TAX IMPOSED BY THIS SUBTITLE WHEN DUE, THE
20 OPERATOR MUST PAY THE FINANCE DIRECTOR, IN ADDITION TO THE TAX DUE:

21 (1) INTEREST AT THE RATE OF 1% FOR EACH MONTH OR FRACTION OF A MONTH THAT THE
22 TAX IS OVERDUE; AND

23 (2) A PENALTY OF 10% OF THE AMOUNT OF THE TAX DUE.

24 **§ 24-7. [§ 24-4.] Records[; audits].**

25 [(a) *Taxpayer to keep records.*]

26 [It shall be the duty of any taxpayer liable for taxes hereunder to] EVERY OPERATOR MUST:

27 (1) KEEP AND maintain COMPLETE AND accurate records of [operating revenue] ALL
28 PASSENGER-FOR-HIRE SERVICES, AS NECESSARY OR OTHERWISE REQUIRED BY THE
29 FINANCE DIRECTOR; AND

30 (2) MAKE THESE RECORDS AVAILABLE, AT ALL TIMES DURING BUSINESS HOURS, FOR
31 INSPECTION AND AUDIT BY THE DIRECTOR OF FINANCE OR OTHER AUTHORIZED AGENT,
32 EMPLOYEE, OR REPRESENTATIVE OF THE CITY.

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1 **[(b) Audits.**

2 The City Auditor is hereby empowered and directed to make all necessary investigations
3 to ascertain the amount of taxes due by any taxpayer hereunder, and all books, records,
4 and documents in the possession of any taxpayer shall be made available at his request.]

5 **§ 24-8. TAX DETERMINATION BY DIRECTOR.**

6 **(A) DIRECTOR TO OBTAIN INFORMATION.**

7 IF ANY OPERATOR FAILS TO MAKE THE REPORT, REMIT THE TAX DUE, OR KEEP RECORDS AS
8 REQUIRED BY THIS SUBTITLE, THE FINANCE DIRECTOR MAY ATTEMPT TO OBTAIN OTHER
9 AVAILABLE INFORMATION ON WHICH TO BASE AN ESTIMATE OF THE TAX DUE.

10 **(B) DIRECTOR TO ESTIMATE TAX.**

11 AS SOON AS THE DIRECTOR OBTAINS THIS INFORMATION, THE DIRECTOR MAY PROCEED TO
12 DETERMINE THE TAX DUE AND ASSESS THAT TAX, PLUS INTEREST AND PENALTIES,
13 AGAINST THE OPERATOR.

14 **(C) NOTICE AND PAYMENT.**

15 (1) THE DIRECTOR MAY THEN NOTIFY THE OPERATOR BY MAIL, SENT TO THAT
16 OPERATOR’S LAST KNOWN ADDRESS, OF THE TOTAL AMOUNT OF THE TAX, INTEREST,
17 AND PENALTIES.

18 (2) THE TOTAL AMOUNT IS PAYABLE WITHIN 10 DAYS FROM THE DATE OF THIS NOTICE.

19 **§ 24-9. SALE OR CLOSING OF BUSINESS.**

20 IF AN OPERATOR SELLS ITS BUSINESS OR OTHERWISE CEASES TO DO BUSINESS:

21 (1) ANY TAX PAYABLE UNDER THIS SUBTITLE BECOMES IMMEDIATELY DUE AND PAYABLE;
22 AND

23 (2) WITHIN 3 DAYS OF THE SALE OR OTHER CESSATION OF BUSINESS, THAT OPERATOR
24 MUST SUBMIT THE REQUIRED REPORT AND REMIT THE TOTAL AMOUNT OF THE TAX
25 DUE.

26 **§ 24-10. LIEN ON PROPERTY.**

27 THE TAX, INTEREST, AND PENALTIES IMPOSED BY THIS SUBTITLE ARE A LIEN ON THE PROPERTY
28 OF ANY PERSON LIABLE FOR THEIR PAYMENT.

29 **§ 24-11. RULES AND REGULATIONS.**

30 **(A) IN GENERAL.**

31 THE DIRECTOR OF FINANCE MAY ADOPT RULES AND REGULATIONS AS NECESSARY OR
32 APPROPRIATE TO:

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1 (1) GOVERN THE PAYMENT, COLLECTION, AND ACCOUNTING OF THE TAX IMPOSED BY
2 THIS SUBTITLE;

3 (2) DEFINE ANY TERMS USED IN CONNECTION WITH THE IMPOSITION AND COLLECTION
4 OF THE TAX IMPOSED BY THIS SUBTITLE;

5 (3) PROVIDE FOR THE COMPROMISE OF DISPUTED CLAIMS AND, FOR GOOD AND
6 SUFFICIENT CAUSE SHOWN, THE WAIVER OF INTEREST AND PENALTIES;

7 (4) PROVIDE FOR THE REFUND OF ANY TAX, INTEREST, OR PENALTY ERRONEOUSLY OR
8 ILLEGALLY PAID; AND

9 (5) OTHERWISE ADMINISTER, ENFORCE, AND CARRY OUT THIS SUBTITLE.

10 (B) *TAXICAB SERVICE OPERATING GROUPS OR ASSOCIATIONS.*

11 THE RULES AND REGULATIONS ADOPTED UNDER THIS SUBTITLE MAY INCLUDE STANDARDS
12 AND PROCEDURES BY WHICH AN OPERATING GROUP OR ASSOCIATION, AS DESCRIBED IN
13 COMAR 20.90.02.08 {"OPERATING ASSOCIATIONS"}, MAY REMIT THE TAXES, SUBMIT
14 THE REPORTS, AND MAINTAIN THE RECORDS OTHERWISE REQUIRED BY THIS SUBTITLE FOR
15 AND ON BEHALF OF TAXICAB SERVICE OPERATORS ASSOCIATED WITH THAT OPERATING
16 GROUP OR ASSOCIATION.

17 (C) *FILING.*

18 A COPY OF ALL RULES AND REGULATIONS ADOPTED UNDER THIS SUBTITLE MUST BE FILED
19 WITH THE DEPARTMENT OF LEGISLATIVE REFERENCE BEFORE THEY BECOME EFFECTIVE.

20 **§ 24-12. {RESERVED}**

21 **§ 24-13. CRIMINAL PENALTIES.**

22 [(c) *Criminal penalties.*]

23 Any [taxpayer violating] PERSON WHO VIOLATES ANY PROVISION OF THIS [section] SUBTITLE
24 OR OF A RULE OR REGULATION ADOPTED UNDER THIS SUBTITLE [shall be] IS guilty of a
25 misdemeanor and, [upon] ON conviction [thereof by any court of competent jurisdiction],
26 [shall be] IS subject to a fine of not more than [\$500] \$1,000 or TO imprisonment FOR not
27 [exceeding] MORE THAN [1 year] 12 MONTHS or TO both FINE AND IMPRISONMENT[, in the
28 discretion of the court,] for each [such] offense.

29 **SECTION 2. AND BE IT FURTHER ORDAINED,** That the catchlines contained in this Ordinance
30 are not law and may not be considered to have been enacted as a part of this or any prior
31 Ordinance.

32 **SECTION 3. AND BE IT FURTHER ORDAINED,** That this Ordinance takes effect on the 60th day
33 after the date it is enacted.