



Legislation Details (With Text)

File #: 13-0213 **Version:** 0 **Name:** Change to Grow: 10-Year Plan - Excise Tax on Passenger-for-Hire Services

Type: Ordinance **Status:** Enacted

File created: 4/22/2013 **In control:** City Council

On agenda: **Final action:** 6/18/2013

Enactment date: **Enactment #:** 13-135

Title: Change to Grow: 10-Year Plan - Excise Tax on Passenger-for-Hire Services

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

Sponsors: City Council President (Administration)

Indexes: Change to Grow: 10-Year Plan, Excise Tax, Passenger-for-hire services

Code sections:

Attachments: 1. BDC - 13-0213.pdf, 2. 13-0213 - 1st Reader.pdf, 3. Law - 13-0213.pdf, 4. Downtown Partnership - 13-0213.pdf, 5. Finance - 13-0213.pdf, 6. 13-0213 - 3rd Reader.pdf

Date	Ver.	Action By	Action	Result
6/18/2013	0	Mayor	Signed by Mayor	
6/17/2013	0	City Council	Advanced to 3rd Rdr., Adopted Comm. Report	
6/17/2013	0	Taxation, Finance and Economic Development Committee	Recommended Favorably	
6/17/2013	0	City Council	Approved and Sent to the Mayor	
6/17/2013	0	City Council	Advanced to 3rd Reader on same day	
5/13/2013	0	Taxation, Finance and Economic Development Committee	Scheduled for a Public Hearing	
4/25/2013	0	The City Council	Referred for a Report	
4/25/2013	0	The City Council	Referred for a Report	
4/25/2013	0	The City Council	Referred for a Report	
4/25/2013	0	The City Council	Referred for a Report	
4/22/2013	0	City Council	Assigned	
4/22/2013	0	City Council	Introduced	

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

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INTRODUCTORY*

CITY OF BALTIMORE
COUNCIL BILL

Introduced by: The Council President
At the request of: The Administration (Department of Finance)

A BILL ENTITLED

AN ORDINANCE concerning
Change to Grow: 10-Year Plan - Excise Tax on Passenger-for-Hire Services

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

BY repealing and reordaining, with amendments

Article 28 - Taxes
Subtitle 24
Baltimore City Code
(Edition 2000)

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

Baltimore City Code

Article 28. Taxes

[Subtitle 24. Public Passenger Vehicle Gross Receipts Tax]

SUBTITLE 24. PASSENGER-FOR-HIRE SERVICES

§ 24-1. DEFINITIONS.

(A) IN GENERAL.

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

(B) FINANCE DIRECTOR; DIRECTOR.

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

(C) OPERATOR.

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

(D) PASSENGER-FOR-HIRE SERVICE.

(1) IN GENERAL.

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

(2) SUPPLEMENTAL DEFINITIONS.

“TAXICAB SERVICE”, “LIMOUSINE SERVICE”, AND “SEDAN SERVICE” HAVE THE MEANINGS STATED IN THE STATE PUBLIC UTILITIES ARTICLE § 10101.

(E) PERSON.

(1) IN GENERAL.

“PERSON” MEANS:

(I) AN INDIVIDUAL;

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

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

(2) EXCLUSIONS.

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

§ 242. [§ 24L] Tax imposed[; rate].

[There is hereby] AN EXCISE TAX IS levied and imposed [upon] ON every person[, firm, or corporation operating public passenger motor vehicles over fixed routes in the City of Baltimore, and having a permit or permits from the Public Service Commission of Maryland, authorizing both the taking on and discharging of passengers at more than 1 point within Baltimore City and/or the transportation between 2 or more points within said City, whether by electricity, gasoline, or other motive power, an annual tax of 3% upon gross receipts of any such person, firm or corporation] WHO OPERATES A PASSENGER-FOR-HIRE SERVICE WITHIN, FROM, OR TO BALTIMORE CITY.

§ 243. AMOUNT OF TAX.

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

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

§ 244: [§ 242] Exceptions.

[(a) Interstate; school buses.]

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

- (1) TRANSPORTATION SERVICES OPERATED BY OR UNDER CONTRACT WITH:
 - (I) A UNIT OF FEDERAL, STATE, OR LOCAL GOVERNMENT; OR
 - (II) A NONPROFIT ENTITY THAT IS EXEMPT FROM TAXATION UNDER § 501(C)(3) OR § 501(C)(4) OF THE INTERNAL REVENUE CODE;
- (2) AN AMBULANCE THAT IS CLASSIFIED AS A CLASS C (FUNERAL AND AMBULANCE) VEHICLE UNDER STATE TRANSPORTATION ARTICLE § 13-914), IS OWNED OR OPERATED BY A LICENSED AMBULANCE SERVICE OR BY A VOLUNTEER FIRE COMPANY OR RESCUE SQUAD, AND IS BEING USED TO TRANSPORT AN INDIVIDUAL WHO IS SICK, INJURED, WOUNDED, OR OTHERWISE INCAPACITATED; OR
- (2) A FUNERAL LIMOUSINE, COACH, SERVICE WAGON, OR SIMILAR VEHICLE THAT IS CLASSIFIED AS A CLASS C (FUNERAL AND AMBULANCE) VEHICLE UNDER STATE TRANSPORTATION ARTICLE § 13-914), IS OWNED OR OPERATED BY A LICENSED FUNERAL ESTABLISHMENT, FUNERAL DIRECTOR, OR MORTICIAN, AND IS BEING USED TO TRANSPORT INDIVIDUALS TO, FROM, OR DURING A FUNERAL SERVICE.

[(1) receipts from vehicles engaged in interstate commerce and not accepting persons for transportation between points in Baltimore City; and

(2) the receipts from school buses operating by or under contract with school authorities and carrying pupils only;]

[(b) Partial operation in City.]

[Provided further that, as to any vehicles subject to the tax hereby imposed which operate partly in Baltimore City and partly outside thereof, the tax shall be upon that proportion only of its receipts that the mileage it operates in the City of Baltimore bears to the total mileage operated.]

§ 245: [§ 243] Remittance] MONTHLY REMITTANCE AND REPORTS.

(A) REMITTANCE.

The [said] OPERATOR OF THE PASSENGER-FOR-HIRE SERVICE MUST REMIT THE tax IMPOSED BY THIS SUBTITLE [shall be paid quarterly to the City of Baltimore on April 10, July 10, October 10, and January 10,

in each year] TO THE FINANCE DIRECTOR ON OR BEFORE THE 25TH DAY OF THE MONTH FOLLOWING THE MONTH IN WHICH THE SERVICE WAS PROVIDED.

(B) REPORTS.

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

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

§ 246. [§ 245. Civil] INTEREST AND CIVIL penalties.

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

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

(1) interest at the rate of 1% for each month or fraction of a month that the tax is overdue; and

(2) a penalty of 10% of the amount of the tax due.

§ 247. [§ 244.] Records[; audits].

[(a) Taxpayer to keep records.]

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

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

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

[(b) Audits.

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

§ 248. TAX DETERMINATION BY DIRECTOR.

(A) DIRECTOR TO OBTAIN INFORMATION.

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

(B) DIRECTOR TO ESTIMATE TAX.

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

(C) NOTICE AND PAYMENT.

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

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

§ 249. SALE OR CLOSING OF BUSINESS.

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

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

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

§ 2410. LIEN ON PROPERTY.

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

§ 2411. RULES AND REGULATIONS.

(A) IN GENERAL.

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

- (1) govern the payment, collection, and accounting of the tax imposed by this subtitle;
- (2) define any terms used in connection with the imposition and collection of the tax imposed by this subtitle;
- (3) provide for the compromise of disputed claims and, for good and sufficient cause shown, the waiver of interest and penalties;
 - (1)
- (4) provide for the refund of any tax, interest, or penalty erroneously or illegally paid; and
- (5) otherwise administer, enforce, and carry out this subtitle.

(b) Taxicab service operating groups or associations.

The rules and regulations adopted under this subtitle may include standards and procedures by which an operating

group or association, as described in COMAR 20.90.02.08 {"Operating Associations"}, may remit the taxes, submit the reports, and maintain the records otherwise required by this subtitle for and on behalf of taxicab service operators associated with that operating group or association.

(c) Filing.

A copy of all rules and regulations adopted under this subtitle must be filed with the Department of Legislative Reference before they become effective.

§ 2412. {Reserved}

§ 2413. CRIMINAL PENALTIES.

[(c) Criminal penalties.]

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

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

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

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