

MEMORANDUM

NOTICE TO MARYLAND REGISTERED MOTOR CARRIERS

RE: MOTOR FUEL TAXES - TAX-FREE PERIOD

This is a notice to inform all Motor Carriers, who are IFTA licensed and traveling in Maryland, of recent legislation, SB1010/HB1486 of the 2022 Regular Session, providing for a 30-day Gas Tax Holiday. During this tax-free period from 3/18/22 through 4/16/22, certain motor fuel taxes that would otherwise be imposed under Title 9 of Tax General Article, Annotated Code of Maryland, will not apply.

Motor Carriers will be able to purchase qualifying motor fuel tax-free and travel non-taxable miles in Maryland during this period. IFTA returns must be filed for the quarters that include the Maryland tax-free period. It is important to ensure you report all fuel purchases, tax-paid and tax-free, on the IFTA return to accurately reflect your MPG's for the period. These receipts are not to be included in the Maryland tax paid fuel gallons reported on the return. As of the effective date of the Tax-Free Period and through its duration, miles traveled in Maryland will be reported as non-IFTA miles. It is important to report all miles traveled to accurately calculate your MPG's for the period. Enter the non-taxable Maryland miles in the total non-IFTA miles field.

IFTA filers using the online Explore portal should report all Maryland miles traveled and fuel gallons purchased in Maryland from 3/18/22 through 4/16/22 as non-IFTA (non-taxable) miles and non-IFTA (tax-free) gallons, respectively.

IFTA filers using the paper form IFTA-101, should report tax-free fuel gallons purchased in Maryland from 3/18/22 through 4/16/22 in the Total Gallons, but these gallons should be excluded from Tax-Paid Gallons. Miles traveled in Maryland from 3/18/22 through 4/16/22 must be reported with Total IFTA Miles but should be excluded from Taxable Miles. The difference between the Total IFTA miles (Total Miles in the MPG calculation) and Taxable Miles will reflect the non-taxable miles traveled during the period.

All mileage and fuel records must still be maintained during the tax-free period to support filed IFTA returns.

*Column designations removed to address slight variations in IFTA-101 forms used in different jurisdictions.