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BILL: Senate Bill 520
TITLE: Washington County – Board of Education – Motor Fuel Tax Refund
DATE: February 25, 2016
POSITION: SUPPORT
COMMITTEE: Budget and Taxation
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Senate Bill 520 authorizes the Washington County Board of Education to claim a refund of motor fuel tax paid on motor fuel purchased for use in vehicles owned by the Washington County Board of Education.

PSSAM supports Senate Bill 520.

In Maryland, gasoline and diesel motor fuel is taxed by the State Motor Fuel Tax. The current tax rate is 32.6 cents for gasoline and 33.35 cents for diesel. Local county government is subject to motor fuel taxes, including local school systems. At this time, several exceptions are granted to certain entities as well as claims for refunds from the fuel tax.

Senate Bill 520 would allow a refund for the motor fuel taxes paid by vehicles owned by the Washington County Board of Education. It is estimated that the savings to Washington County would be approximately \$104,200 in FY 2017 and \$115,700 by FY 2021. In a time of tough fiscal restraints for local school boards, the savings of \$104,200 in next year's budget could be the financial difference that helps Washington County maintain a worthwhile student program or provide additional funding to continue with other critical services delivered to their most vulnerable students.

In fact, the 24 local school superintendents would like to see the motor fuel tax refund be extended to include all school systems. In Maryland, we have led the nation in education achievement and have received the highest national rankings for many years. The investment in our students has reaped great dividends. Thanks to the financial commitment from our elected officials, the Maryland public school system consistently ranks among the most successful in the nation. The infusion of dollars reaped by the motor fuel tax refund would have the potential to secure critical programs that could otherwise be affected by other budget reductions.

For the reasons stated above, PSSAM **SUPPORTS** Senate Bill 520 and requests a **favorable** committee report.