

original certificate of title required for a vessel under this subtitle, and on the issuance of every subsequent certificate of title for the sale, resale, or transfer of the vessel as follows:

(1) The Department shall collect a tax at the rate of [4] 5 percent of the gross sales price or, if no sale immediately precedes the application for title, the fair market value of the vessel for which a certificate of title is applied for and issued. The Department may require the applicant to submit satisfactory proof of the vessel's gross sales price or fair market value in order to establish the tax due.

(2) The tax imposed by this subsection is in lieu of collecting any tax on the sale of vessel required under Article 81, §§ 325 or 373 unless otherwise exempt from the tax.

(3) Notwithstanding the provisions of this subsection, no tax is paid on issuance of any certificate of title if the owner of the vessel for which a certificate of title is sought was the owner of the vessel prior to June 1, 1965, or if he paid Maryland sales tax on the vessel as required by law at the time of acquisition. The Department may require the applicant for titling to submit satisfactory proof that he owned the vessel prior to June 1, 1965.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect June 1, 1977.

Approved May 26, 1977.

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CHAPTER 674

(Senate Bill 352)

AN ACT concerning

Sales and Use Taxes

FOR the purpose of increasing the rate of the State retail sales tax on the sale of certain tangible personal property or services after a certain date; amending the vendor's rate of commission on taxable sales; increasing the rate of the State use tax on the use, storage, or consumption of certain tangible personal property or services after a certain date; amending the vendor's rate of commission under the use tax law; providing exceptions and effective date; clarifying language; and relating generally to the State sales and use taxes.