

## MEMORANDUM

TO: County Council

FROM: *MF* Michael Faden, Senior Legislative Attorney

SUBJECT: **Introduction:** Resolution to change fuel/energy tax rates

A resolution to increase fuel/energy tax rates, sponsored by the Council President, is scheduled to be introduced on April 15, 2008. This resolution would increase the rates currently in effect to produce \$11.1 million more revenue. This resolution is introduced as a placeholder to allow the Council, if necessary, to adjust the rates of the fuel/energy tax.

The public hearing on this resolution, along with other revenue items, is scheduled for May 6 at 7:30 p.m.

This packet contains:	<u>Circle #</u>
Resolution	1
Rate schedule	2

Resolution No. \_\_\_\_\_  
Introduced: April 15, 2008  
Adopted: \_\_\_\_\_

**COUNTY COUNCIL  
FOR MONTGOMERY COUNTY, MARYLAND**

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By: Council President

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**SUBJECT:** Fuel/energy tax – rates

**Background**

1. Section 52-14 of the County Code levies a tax on persons transmitting, distributing, manufacturing, producing, or supplying electricity, gas, steam, coal, fuel oil, or liquefied petroleum gas in the County.
2. Section 52-14 also provides that the County Council may amend the fuel/energy tax rates by resolution, after a public hearing advertised as required by Section 52-17. A public hearing was held on this resolution on (date).
3. The Council finds that it is fair and equitable to continue different rates for fuels and energy transmitted, distributed, manufactured, produced, or supplied for residential and agricultural purposes and for non-residential purposes.

**Action**

*The County Council for Montgomery County, Maryland, approves the following resolution:*

1. On and after July 1, 2008, the fuel/energy tax rates levied under Section 52-14 of the County Code are as shown on Schedule A, attached to this resolution.
2. This Resolution supersedes Resolution 15-1005.

*This is a correct copy of Council action.*

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Linda M. Lauer, Clerk of the Council

Date

SCHEDULE A (starting in FY2009)

Increase residential and agricultural rates 9.13%.

(a) For fuel-energy transmitted, distributed, manufactured, produced, or supplied for residential and agricultural purposes:

FUEL-ENERGY		TAX RATE
Electricity (per kilowatt hr)		\$0.0051824809
Gas (per therm)		\$0.0467559003
Steam (per therm)		\$0.0584598191
Coal (per ton)		\$12.1342978386
Fuel oil (per gallon)		
No. 1		\$0.0639591068
No. 2		\$0.0663501015
No. 3		\$0.0663501015
No. 4		\$0.0679042480
No. 5		\$0.0692192951
No. 6		\$0.0707734416
Liquefied petroleum gas (per pound)		\$0.0101019524

+9.13%

(b) For fuel-energy transmitted, distributed, manufactured, produced, or supplied for non-residential purposes:

FUEL-ENERGY		TAX RATE
Electricity (per kilowatt hr)		\$0.0137337736
Gas (per therm)		\$0.1239033352
Steam (per therm)		\$0.1549185207
Coal (per ton)		\$32.1538967768
Fuel oil (per gallon)		
No. 1		\$0.1694916331
No. 2		\$0.1758277689
No. 3		\$0.1758277689
No. 4		\$0.1799462572
No. 5		\$0.1834311319
No. 6		\$0.1875496202
Liquefied petroleum gas (per pound)		\$0.0267701738