## **HOUSE BILL 791**

R7 (3lr2592)

## ENROLLED BILL

— Ways and Means/Budget and Taxation —

Introduced by Delegates McHale and Malone

Introduced by Delegates Mchale and Maione
Read and Examined by Proofreaders:
Proofreader.
Proofreader.
Sealed with the Great Seal and presented to the Governor, for his approval this
day of at o'clock,M.
Speaker.
CHAPTER
AN ACT concerning
Tax Credits - Electric Vehicles - Extensions
FOR the purpose of extending the credit against the State income tax for certain qualified electric vehicle recharging equipment for certain tax years; providing for the amount of tax credit certificates that may be issued by the Maryland Energy Administration; transferring certain money from the Strategic Energy Investment Fund to the General Fund in certain fiscal years; extending the credit against the motor vehicle excise tax for certain qualified plug—in electric drive vehicles for a certain period of time; altering the amount of credit that certain vehicles may claim; establishing that the tax credit is subject to available funding; transferring certain money from the Strategic Energy Investment Fund to the Transportation Trust Fund in a certain fiscal year;

## EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

credits relevant to electric vehicles.

<u>Underlining</u> indicates amendments to bill.

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Strike out indicates matter stricken from the bill by amendment or deleted from the law by amendment.

altering a certain definition; and generally relating to the extension of tax

Italics indicate opposite chamber/conference committee amendments.



1 2 3 4 5	BY repealing and reenacting, without amendments, Article – Environment Section 2–1002(g)(2) Annotated Code of Maryland (2007 Replacement Volume and 2012 Supplement)								
6 7 8 9 10	BY repealing and reenacting, without amendments, Article – State Government Section 9–20B–05(a) and (e) Annotated Code of Maryland (2009 Replacement Volume and 2012 Supplement)								
11 12 13 14 15	BY repealing and reenacting, with amendments,  Article – Tax – General Section 10–729 Annotated Code of Maryland (2010 Replacement Volume and 2012 Supplement)								
16 17 18 19 20	BY repealing and reenacting, with amendments, Article – Transportation Section 13–815 Annotated Code of Maryland (2012 Replacement Volume)								
21 22	SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:								
23	Article – Environment								
24	2–1002.								
25 26 27	(g) (2) Not later than June 30, 2007, the Governor shall include the State as a full participant in the Regional Greenhouse Gas Initiative among Mid–Atlantic and Northeast states.								
28	Article - State Government								
29	9–20B–05.								
30	(a) There is a Maryland Strategic Energy Investment Fund.								
31	(e) The Fund consists of:								
32 33	(1) all of the proceeds from the sale of allowances under $\S 2-1002(g)$ of the Environment Article;								
34	(2) money appropriated in the State budget to the Program;								

$\frac{1}{2}$	made from tl	(3) he Fur	repayments and prepayments of principal and interest on loans nd;				
3		(4)	interest and investment earnings on the Fund;				
4 5	and	(5)	compliance fees paid under § 7–705 of the Public Utilities Article;				
6 7	the Fund.	(6)	money received from any public or private source for the benefit of				
8			Article - Tax - General				
9	10–729.						
10	(a)	(1)	In this section the following words have the meanings indicated.				
11		(2)	"Administration" means the Maryland Energy Administration.				
12 13 14 15		' "qual	"Qualified electric vehicle recharging equipment" means property arging of motor vehicles propelled by electricity that meets the lified alternative fuel vehicle refueling property" in § 30C of the Code.				
16 17 18 19 20	(b) For tax years 2011 through [2013] <b>2016</b> only, an individual or corporation that receives an initial credit certificate under subsection (d) of this section from the Administration may claim a credit against the State income tax for a taxable year in an amount equal to 20% of the cost of any qualified electric vehicle recharging equipment placed in service by the taxpayer during the taxable year.						
21 22	(c) exceed the le	(1) esser o	For any taxable year, the credit allowed under this section may not f:				
23			(i) \$400 for each individual recharging system; or				
24			(ii) the State income tax for that taxable year.				
25 26	carried over	(2) to any	The unused amount of the credit for any taxable year may not be other taxable year.				
27 28 29 30	qualified ele	ctric v	On application by a taxpayer, the Administration shall issue an afficate in an amount equal to 20% of the estimated cost of the rehicle recharging equipment to be placed in service in the State by ag the taxable year.				

$\begin{array}{c} 1 \\ 2 \end{array}$	(2) The initial credit certificate issued under this subsection shall state the maximum amount of credit that may be claimed by the taxpayer.								
3 4	of:	(3)	The	The credit allowed under this section is limited to the acquisitio					
5			(i)	1 recharging system per individual; and					
6			(ii)	30 recharging systems per business entity.					
7 8	(4) The Administration may issue total credit certificates not to exceet the following amounts:								
9			(i)	for tax year 2011, \$400,000;					
10			(ii)	for tax year 2012, \$500,000; and					
11 12	(iii) for tax [year] YEARS 2013 THROUGH <b>2016, INCLUSIVE</b> \$600,000 EACH TAX YEAR.								
13 14 15 16	(5) On January 1, 2012, and each year the credit is authorized, the Administration shall provide to the Comptroller a list of all taxpayers in the prior tax year that have been issued an initial credit certificate and shall specify for each taxpayer the maximum amount of credit allowed.								
17 18	(6) (i) The Administration may adopt regulations to administer the initial credit certificate required under this subsection.								
19 20	(ii) The regulations adopted by the Administration may include a further limit on the maximum amount of credit that may be claimed by the taxpayer.								
21	Article - Transportation								
22	13–815.								
23	(a)	(1)	In th	is section the following words have the meanings indicated.					
24		(2)	"Exc	ise tax" means the tax imposed under § 13–809 of this subtitle.					
25 26	that:	(3)	"Qua	dified plug-in electric drive vehicle" means a motor vehicle					
27			(i)	Is made by a manufacturer;					
28 29	and highwa	ays;	(ii)	Is manufactured primarily for use on public streets, roads,					

$\frac{1}{2}$	specifications;	(iii)	Has	not	been	modifie	ed	from	original	manu	ıfacturer
3 4	resale;	(iv)	Is ac	quire	d for ı	ise or le	ease	by th	ne taxpay	er and	not for
5 6	vehicle weight;	(v)	Is ra	ited a	ıt not	more th	nan	8,500	pounds	unloade	ed gross
7 8	hour; <u>AND</u>	(vi)	Has	a ma	ximum	speed o	capa	bility	of at leas	st 55 m	niles per
9 10	draws electricity f	(vii) rom a l	-	=		significa	nt e	xtent	by an ele	etric mo	otor that
11 12	less than 4 kilowa	tt–hou	1. rs;	For	a 4–wl	neeled m	notor	vehic	ele, has a	capacit	ty of not
13 14	capacity of not less	s than	2. 2.5 kil				or 3-	-wheel	led motor	vehicle	e, has a
15 16	of electricity <del>; and</del>		3.	Is ca	apable	of being	rech	narged	from an	externa	al source
17 18	before July 1, [20]	. ,		<del>led b</del>	<del>y the 1</del>	taxpayer	<del>' on</del>	<del>-or-af</del> l	<del>ser Octob</del>	<del>er 1, 2</del> (	<del>910, but</del>
19 20 21	(b) This section applies only to a plug-in electric driven vehicle that is titled by the taxpayer on or after October 1, 2010 But before July 1, 2014.										
22 23	(C) (1) against the excise								I <b>G, A</b> cro		allowed
24 25 26	(2) of this section, the imposed for a vehi	ie cred							ns <del>(e)</del> <b>(D)</b> s 100% of		
27	<del>(e)</del> <b>(D)</b> The	e credit	allow	ed un	der this	s section	may	y not e	xceed <del>\$2,</del>	<del>000</del> <u>:</u>	
28 29	(1) 4.0 KILOWATT-H								CAPACIT IT–HOUH		T LEAST
30	(2)	\$700	FOR .	A VEH	HICLE \	WITH A I	BAT'	TERY	CAPACIT	Y OF A	T LEAST

10.1 KILOWATT-HOURS BUT NOT MORE THAN 15.0 KILOWATT-HOURS; AND

31

29 30

July 1, 2013.

1	<u>(3)</u>	\$1,000 FOR A VEHICLE WITH A BATTERY CAPACITY OF AT				
2	LEAST 15.0 KILO	WATT-HOURS.				
3	<del>(d)</del> <b>(E)</b> The o	credit allowed under this section is limited to the acquisition of:				
4	(1)	One vehicle per individual; and				
5	(2)	10 vehicles per business entity.				
6	<del>(e)</del> <u>(F)</u> A cre	edit may not be claimed under this section:				
7	(1)	For a vehicle unless the vehicle is registered in the State;				
8 9 10		Unless the manufacturer has already conformed to any applicable aws or regulations governing clean—fuel vehicle or electric vehicle ole during the calendar year in which the vehicle is titled; or				
11	(3)	For a vehicle that was initially registered in another state.				
12 13	(f) (G) The this section.	Motor Vehicle Administration shall administer the credit under				
14 15 16 17 18 19 20 21	SECTION 2. AND BE IT FURTHER ENACTED, That, notwithstanding any other provision of law, for fiscal years 2016, 2017, and 2018, respectively, the lesser of \$600,000 or the total amount of credit certificates issued in tax years 2014, 2015, and 2016, respectively, shall be transferred from the Strategic Energy Investment Fund established under § 9–20B–05 of the State Government Article to the General Fund to offset a reduction in revenues from the tax credit for electric vehicle recharging equipment established under § 10–729 of the Tax – General Article as enacted by this Act.					
22 23 24 25 26 27 28	other provision of amount of credits Strategic Energy Government Artic from the vehicle e	3. AND BE IT FURTHER ENACTED, That, notwithstanding any law, for fiscal year 2014, the lesser of \$1,287,000 or the actual total sallowed against the excise tax shall be transferred from the Investment Fund established under § 9–20B–05 of the State to the Transportation Trust Fund to offset a reduction in revenues axcise tax credit for qualified plug—in electric drive vehicles under § asportation Article as enacted by this Act.				

SECTION 4. AND BE IT FURTHER ENACTED, That this Act shall take effect