

HOUSE BILL 89

Q3

4lr1447

(PRE-FILED)

By: **Delegate R. Lewis**

Requested: November 1, 2023

Introduced and read first time: January 10, 2024

Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Income Tax – Credit for Individuals Without Motor Vehicles**
3 **(One Less Car Act of 2024)**

4 FOR the purpose of allowing, for certain taxable years, a credit against the State income
5 tax for certain qualified taxpayers if, for at least a certain period of time, the
6 taxpayers were not listed as an insured on another individual's personal motor
7 vehicle liability insurance policy and the taxpayers and entities controlled by the
8 taxpayers or the taxpayers' dependents do not own or lease a motor vehicle required
9 to be registered with a state; making the credit refundable under certain
10 circumstances; requiring the Motor Vehicle Administration to provide certain
11 information to the Comptroller; and generally relating to an income tax credit for
12 individuals without motor vehicles.

13 BY adding to

14 Article – Tax – General

15 Section 10–758

16 Annotated Code of Maryland

17 (2022 Replacement Volume and 2023 Supplement)

18 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
19 That the Laws of Maryland read as follows:

20 **Article – Tax – General**

21 **10–758.**

22 **(A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS**
23 **INDICATED.**

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 **(2) (I) “MOTOR VEHICLE” MEANS A VEHICLE REQUIRED TO BE**
2 **REGISTERED UNDER § 13-402 OF THE TRANSPORTATION ARTICLE OR UNDER THE**
3 **LAWS OF ANOTHER STATE.**

4 **(II) “MOTOR VEHICLE” DOES NOT INCLUDE AN ELECTRIC**
5 **BICYCLE, AS DEFINED IN § 11-117.1 OF THE TRANSPORTATION ARTICLE.**

6 **(3) “QUALIFIED TAXPAYER” MEANS:**

7 **(I) AN INDIVIDUAL WHO IS AT LEAST 18 YEARS OLD AND FILING**
8 **AN INCOME TAX RETURN WITH A FEDERAL ADJUSTED GROSS INCOME FOR THE**
9 **TAXABLE YEAR NOT EXCEEDING \$75,000; OR**

10 **(II) A MARRIED COUPLE FILING A JOINT INCOME TAX RETURN**
11 **THAT HAS A FEDERAL ADJUSTED GROSS INCOME FOR THE TAXABLE YEAR NOT**
12 **EXCEEDING \$150,000.**

13 **(B) IT IS THE INTENT OF THE GENERAL ASSEMBLY THAT THE TAX CREDIT**
14 **UNDER THIS SECTION ASSIST IN MEETING THE STATE’S AMBITIOUS CLIMATE GOALS**
15 **AND REDUCE GREENHOUSE GAS EMISSIONS FROM PERSONAL MOTOR VEHICLES BY**
16 **INCENTIVIZING QUALIFIED TAXPAYERS TO GIVE UP A MOTOR VEHICLE AND**
17 **REWARDING QUALIFIED TAXPAYERS FOR NOT USING A MOTOR VEHICLE IN ORDER**
18 **TO HELP THE ENVIRONMENT AND CREATE HEALTHIER COMMUNITIES.**

19 **(C) (1) FOR A TAXABLE YEAR BEGINNING AFTER DECEMBER 31, 2023,**
20 **BUT BEFORE JANUARY 1, 2029, AND SUBJECT TO SUBSECTION (D) OF THIS SECTION,**
21 **A QUALIFIED TAXPAYER MAY CLAIM A CREDIT AGAINST THE STATE INCOME TAX IN**
22 **AN AMOUNT EQUAL TO \$1,000 IF, FOR AT LEAST 6 MONTHS DURING THE TAXABLE**
23 **YEAR:**

24 **(I) THE QUALIFIED TAXPAYER:**

25 **1. DID NOT OWN OR LEASE A MOTOR VEHICLE; AND**

26 **2. WAS NOT LISTED AS AN INSURED ON ANOTHER**
27 **INDIVIDUAL’S PERSONAL MOTOR VEHICLE LIABILITY INSURANCE POLICY; AND**

28 **(II) NO ENTITY IN WHICH THE QUALIFIED TAXPAYER OR A**
29 **DEPENDENT OF THE QUALIFIED TAXPAYER HOLDS A CONTROLLING INTEREST**
30 **OWNED OR LEASED A MOTOR VEHICLE.**

31 **(2) A QUALIFIED TAXPAYER MAY CLAIM THE CREDIT UNDER THIS**
32 **SECTION REGARDLESS OF:**

1 **(I) WHETHER THE QUALIFIED TAXPAYER IS A DEPENDENT OF**
2 **ANOTHER INDIVIDUAL FOR THE TAXABLE YEAR; AND**

3 **(II) WHETHER ANOTHER INDIVIDUAL IN THE QUALIFIED**
4 **TAXPAYER'S HOUSEHOLD OWNED OR LEASED A MOTOR VEHICLE FOR MORE THAN 6**
5 **MONTHS DURING THE TAXABLE YEAR.**

6 **(3) IF THE CREDIT ALLOWED UNDER THIS SECTION IN ANY TAXABLE**
7 **YEAR EXCEEDS A QUALIFIED TAXPAYER'S STATE INCOME TAX FOR THAT TAXABLE**
8 **YEAR:**

9 **(I) THE QUALIFIED TAXPAYER MAY CLAIM A REFUND IN THE**
10 **AMOUNT OF THE EXCESS; OR**

11 **(II) ANY UNUSED CREDIT AMOUNT MAY BE CARRIED FORWARD**
12 **AND APPLIED TO SUCCEEDING TAXABLE YEARS UNTIL THE FULL AMOUNT OF THE**
13 **CREDIT IS USED.**

14 **(D) (1) IN ORDER TO CLAIM THE CREDIT ALLOWED UNDER THIS SECTION,**
15 **A QUALIFIED TAXPAYER SHALL SUBMIT WITH THE QUALIFIED TAXPAYER'S INCOME**
16 **TAX RETURN, ON A FORM OR IN THE MANNER REQUIRED BY THE COMPTROLLER, A**
17 **STATEMENT THAT INDICATES:**

18 **(I) THE REQUIREMENTS TO CLAIM THE CREDIT DESCRIBED**
19 **UNDER SUBSECTION (C)(1) OF THIS SECTION ARE SATISFIED; AND**

20 **(II) WHETHER THE QUALIFIED TAXPAYER'S DECISION TO NOT**
21 **OWN OR LEASE A MOTOR VEHICLE DURING THE TAXABLE YEAR IS ATTRIBUTABLE IN**
22 **ANY WAY TO THE CREDIT PROVIDED UNDER THIS SECTION.**

23 **(2) ON REQUEST FROM THE COMPTROLLER, THE MOTOR VEHICLE**
24 **ADMINISTRATION SHALL, TO THE EXTENT POSSIBLE, PROVIDE TO THE**
25 **COMPTROLLER ANY INFORMATION NECESSARY TO VERIFY THE INFORMATION**
26 **PROVIDED BY A QUALIFIED TAXPAYER UNDER PARAGRAPH (1) OF THIS SUBSECTION.**

27 **(E) ON OR BEFORE JULY 1, 2027, THE COMPTROLLER SHALL, IN**
28 **ACCORDANCE WITH § 2-1257 OF THE STATE GOVERNMENT ARTICLE, SUBMIT A**
29 **REPORT TO THE SENATE BUDGET AND TAXATION COMMITTEE AND THE HOUSE**
30 **WAYS AND MEANS COMMITTEE ON:**

31 **(1) THE NUMBER OF QUALIFIED TAXPAYERS WHO HAVE CLAIMED A**
32 **CREDIT UNDER THIS SECTION;**

1 **(2) THE TOTAL AMOUNT OF THE CREDITS CLAIMED UNDER THIS**
2 **SECTION; AND**

3 **(3) THE RESPONSES TO THE QUESTION DESCRIBED UNDER**
4 **SUBSECTION (D)(1)(II) OF THIS SECTION.**

5 **(F) THE COMPTROLLER AND THE MOTOR VEHICLE ADMINISTRATION**
6 **JOINTLY SHALL ADOPT REGULATIONS TO CARRY OUT THIS SECTION.**

7 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
8 1, 2024. It shall remain effective for a period of 5 years and, at the end of June 30, 2029,
9 this Act, with no further action required by the General Assembly, shall be abrogated and
10 of no further force and effect.