

SENATE BILL 78

Q5, R4

(PRE-FILED)

9lr0484
CF 9lr0918

By: **Senators Young, Carter, Feldman, Rosapepe, Nathan-Pulliam, and Guzzone**

Requested: September 17, 2018

Introduced and read first time: January 9, 2019

Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **Plug-In Electric Drive Vehicle Excise Tax Credit – Sunset – Repeal**

3 FOR the purpose of making the vehicle excise tax credit for the purchase of certain
4 plug-in electric drive vehicles permanent; authorizing certain individuals or
5 business entities that do not receive a tax credit in a certain fiscal year to claim the
6 credit during the next fiscal year; requiring the Maryland Energy Administration to
7 use the Maryland Strategic Energy Investment Fund to reimburse the
8 Transportation Trust Fund for certain reductions in revenues; requiring the
9 Comptroller, each fiscal year, to transfer a certain amount from the Maryland
10 Strategic Energy Investment Fund to the Transportation Trust Fund; codifying a
11 certain limit on the total amount of credits allowed; repealing obsolete provisions;
12 and generally relating to a vehicle excise tax credit for plug-in electric drive vehicles.

13 BY repealing and reenacting, without amendments,
14 Article – State Government
15 Section 9–20B–05(a)
16 Annotated Code of Maryland
17 (2014 Replacement Volume and 2018 Supplement)

18 BY repealing and reenacting, with amendments,
19 Article – State Government
20 Section 9–20B–05(f)(8) and (9)
21 Annotated Code of Maryland
22 (2014 Replacement Volume and 2018 Supplement)

23 BY adding to
24 Article – State Government
25 Section 9–20B–05(f)(9)
26 Annotated Code of Maryland
27 (2014 Replacement Volume and 2018 Supplement)

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 BY repealing and reenacting, with amendments,
 2 Article – Transportation
 3 Section 13–815
 4 Annotated Code of Maryland
 5 (2012 Replacement Volume and 2018 Supplement)

6 BY repealing
 7 Chapter 359 of the Acts of the General Assembly of 2014, as amended by Chapters
 8 362 and 363 of the Acts of the General Assembly of 2017
 9 Section 2

10 BY repealing
 11 Chapter 360 of the Acts of the General Assembly of 2014, as amended by Chapters
 12 362 and 363 of the Acts of the General Assembly of 2017
 13 Section 2

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

16 **Article – State Government**

17 9–20B–05.

18 (a) There is a Maryland Strategic Energy Investment Fund.

19 (f) The Administration shall use the Fund:

20 (8) to provide grants to encourage combined heat and power projects at
 21 industrial facilities; [and]

22 **(9) IN ACCORDANCE WITH § 13–815 OF THE TRANSPORTATION**
 23 **ARTICLE, TO REIMBURSE THE TRANSPORTATION TRUST FUND ESTABLISHED**
 24 **UNDER § 3–216 OF THE TRANSPORTATION ARTICLE FOR PART OF THE REDUCTION**
 25 **IN REVENUES THAT RESULTS FROM THE VEHICLE EXCISE TAX CREDIT FOR**
 26 **QUALIFIED PLUG–IN ELECTRIC DRIVE VEHICLES; AND**

27 **[(9)] (10)** to pay the expenses of the Program.

28 **Article – Transportation**

29 13–815.

30 (a) In this section, “excise tax” means the tax imposed under § 13–809 of this
 31 subtitle.

1 (b) This section applies only to a plug-in electric drive vehicle that:

2 (1) Has not been modified from original manufacturer specifications;

3 (2) Is acquired for use or lease by the taxpayer and not for resale;

4 (3) Has a total purchase price not exceeding \$60,000;

5 (4) Has a battery capacity of at least 5.0 kilowatt-hours; and

6 (5) Is purchased new and titled for the first time on or after July 1, 2017[,
7 but before July 1, 2020].

8 (c) (1) Subject to [available funding] **PARAGRAPH (2) OF THIS SUBSECTION**,
9 a credit is allowed against the excise tax imposed for a plug-in electric drive vehicle.

10 (2) **FOR EACH FISCAL YEAR, THE TOTAL AMOUNT OF CREDITS**
11 **ALLOWED AGAINST THE EXCISE TAX MAY NOT EXCEED \$3,000,000.**

12 (3) **IF A CREDIT IS NOT ALLOWED AS A RESULT OF THE LIMITATION**
13 **UNDER THIS SUBSECTION, THE INDIVIDUAL OR BUSINESS ENTITY MAY CLAIM THE**
14 **CREDIT DURING THE NEXT FISCAL YEAR.**

15 (d) The credit allowed under this section may not exceed the lesser of:

16 (1) The product of \$100 times the number of kilowatt-hours of battery
17 capacity of the vehicle; or

18 (2) \$3,000.

19 (e) The credit allowed under this section is limited to the acquisition of:

20 (1) One vehicle per individual; and

21 (2) 10 vehicles per business entity.

22 (f) A credit may not be claimed under this section:

23 (1) For a vehicle unless the vehicle is registered in the State; or

24 (2) Unless the manufacturer has already conformed to any applicable State
25 or federal laws or regulations governing clean-fuel vehicle or electric vehicle purchases
26 applicable during the calendar year in which the vehicle is titled.

27 (g) **FOR EACH FISCAL YEAR, THE COMPTROLLER SHALL TRANSFER THE**
28 **LESSER OF \$2,400,000 OR THE ACTUAL TOTAL AMOUNT OF CREDITS ALLOWED**

1 AGAINST THE EXCISE TAX UNDER THIS SECTION FROM THE MARYLAND STRATEGIC
2 ENERGY INVESTMENT FUND ESTABLISHED UNDER § 9-20B-05 OF THE STATE
3 GOVERNMENT ARTICLE TO THE TRANSPORTATION TRUST FUND ESTABLISHED
4 UNDER § 3-216 OF THIS ARTICLE.

5 (H) The Motor Vehicle Administration shall administer the credit under this
6 section.

7 **Chapter 359 of the Acts of 2014, as amended by Chapters 362 and 363 of the Acts**
8 **of 2017**

9 [SECTION 2. AND BE IT FURTHER ENACTED, That, notwithstanding any other
10 provision of law, for fiscal years 2018, 2019, and 2020, respectively, the lesser of \$2,400,000
11 or the actual total amount of credits allowed against the excise tax shall be transferred
12 from the Strategic Energy Investment Fund established under § 9-20B-05 of the State
13 Government Article to the Transportation Trust Fund to offset a reduction in revenues from
14 the vehicle excise tax credit for qualified plug-in electric drive vehicles under § 13-815 of
15 the Transportation Article, as enacted by this Act. The total amount of credits allowed
16 against the excise tax may not exceed \$3,000,000 during the course of any fiscal year.]

17 **Chapter 360 of the Acts of 2014, as amended by Chapters 362 and 363 of the Acts**
18 **of 2017**

19 [SECTION 2. AND BE IT FURTHER ENACTED, That, notwithstanding any other
20 provision of law, for fiscal years 2018, 2019, and 2020, respectively, the lesser of \$2,400,000
21 or the actual total amount of credits allowed against the excise tax shall be transferred
22 from the Strategic Energy Investment Fund established under § 9-20B-05 of the State
23 Government Article to the Transportation Trust Fund to offset a reduction in revenues from
24 the vehicle excise tax credit for qualified plug-in electric drive vehicles under § 13-815 of
25 the Transportation Article, as enacted by this Act. The total amount of credits allowed
26 against the excise tax may not exceed \$3,000,000 during the course of any fiscal year.]

27 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
28 1, 2019.