

HOUSE BILL 791

R7

3lr2592
CF SB 728

By: **Delegates McHale and Malone**

Introduced and read first time: February 6, 2013

Assigned to: Ways and Means

Committee Report: Favorable

House action: Adopted

Read second time: March 12, 2013

CHAPTER _____

1 AN ACT concerning

2 **Tax Credits – Electric Vehicles – Extensions**

3 FOR the purpose of extending the credit against the State income tax for certain
4 qualified electric vehicle recharging equipment for certain tax years; providing
5 for the amount of tax credit certificates that may be issued by the Maryland
6 Energy Administration; transferring certain money from the Strategic Energy
7 Investment Fund to the General Fund in certain fiscal years; extending the
8 credit against the motor vehicle excise tax for certain qualified plug-in electric
9 drive vehicles for a certain period of time; establishing that the tax credit is
10 subject to available funding; transferring certain money from the Strategic
11 Energy Investment Fund to the Transportation Trust Fund in a certain fiscal
12 year; and generally relating to the extension of tax credits relevant to electric
13 vehicles.

14 BY repealing and reenacting, without amendments,
15 Article – Environment
16 Section 2-1002(g)(2)
17 Annotated Code of Maryland
18 (2007 Replacement Volume and 2012 Supplement)

19 BY repealing and reenacting, without amendments,
20 Article – State Government
21 Section 9-20B-05(a) and (e)
22 Annotated Code of Maryland
23 (2009 Replacement Volume and 2012 Supplement)

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

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



1 BY repealing and reenacting, with amendments,
2 Article – Tax – General
3 Section 10–729
4 Annotated Code of Maryland
5 (2010 Replacement Volume and 2012 Supplement)

6 BY repealing and reenacting, with amendments,
7 Article – Transportation
8 Section 13–815
9 Annotated Code of Maryland
10 (2012 Replacement Volume)

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

13 **Article – Environment**

14 2–1002.

15 (g) (2) Not later than June 30, 2007, the Governor shall include the State
16 as a full participant in the Regional Greenhouse Gas Initiative among Mid–Atlantic
17 and Northeast states.

18 **Article – State Government**

19 9–20B–05.

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

21 (e) The Fund consists of:

22 (1) all of the proceeds from the sale of allowances under § 2–1002(g) of
23 the Environment Article;

24 (2) money appropriated in the State budget to the Program;

25 (3) repayments and prepayments of principal and interest on loans
26 made from the Fund;

27 (4) interest and investment earnings on the Fund;

28 (5) compliance fees paid under § 7–705 of the Public Utilities Article;
29 and

30 (6) money received from any public or private source for the benefit of
31 the Fund.

Article – Tax – General

10–729.

(a) (1) In this section the following words have the meanings indicated.

(2) “Administration” means the Maryland Energy Administration.

(3) “Qualified electric vehicle recharging equipment” means property used for the recharging of motor vehicles propelled by electricity that meets the definition of “qualified alternative fuel vehicle refueling property” in § 30C of the Internal Revenue Code.

(b) For tax years 2011 through [2013] **2016** 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.

(c) (1) For any taxable year, the credit allowed under this section may not exceed the lesser of:

(i) \$400 for each individual recharging system; or

(ii) the State income tax for that taxable year.

(2) The unused amount of the credit for any taxable year may not be carried over to any other taxable year.

(d) (1) On application by a taxpayer, the Administration shall issue an initial credit certificate in an amount equal to 20% of the estimated cost of the qualified electric vehicle recharging equipment to be placed in service in the State by the taxpayer during the taxable year.

(2) The initial credit certificate issued under this subsection shall state the maximum amount of credit that may be claimed by the taxpayer.

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

(i) 1 recharging system per individual; and

(ii) 30 recharging systems per business entity.

(4) The Administration may issue total credit certificates not to exceed the following amounts:

- 1 (i) for tax year 2011, \$400,000;
- 2 (ii) for tax year 2012, \$500,000; and
- 3 (iii) for tax [year] **YEARS 2013 THROUGH 2016, INCLUSIVE,**
- 4 **\$600,000 EACH TAX YEAR.**

5 (5) On January 1, 2012, and each year the credit is authorized, the

6 Administration shall provide to the Comptroller a list of all taxpayers in the prior tax

7 year that have been issued an initial credit certificate and shall specify for each

8 taxpayer the maximum amount of credit allowed.

9 (6) (i) The Administration may adopt regulations to administer the

10 initial credit certificate required under this subsection.

11 (ii) The regulations adopted by the Administration may include

12 a further limit on the maximum amount of credit that may be claimed by the taxpayer.

13 **Article – Transportation**

14 13–815.

- 15 (a) (1) In this section the following words have the meanings indicated.
- 16 (2) “Excise tax” means the tax imposed under § 13–809 of this subtitle.
- 17 (3) “Qualified plug-in electric drive vehicle” means a motor vehicle
- 18 that:
- 19 (i) Is made by a manufacturer;
- 20 (ii) Is manufactured primarily for use on public streets, roads,
- 21 and highways;
- 22 (iii) Has not been modified from original manufacturer
- 23 specifications;
- 24 (iv) Is acquired for use or lease by the taxpayer and not for
- 25 resale;
- 26 (v) Is rated at not more than 8,500 pounds unloaded gross
- 27 vehicle weight;
- 28 (vi) Has a maximum speed capability of at least 55 miles per
- 29 hour;

1 (vii) Is propelled to a significant extent by an electric motor that
2 draws electricity from a battery that:

3 1. For a 4-wheeled motor vehicle, has a capacity of not
4 less than 4 kilowatt-hours;

5 2. For a 2-wheeled or 3-wheeled motor vehicle, has a
6 capacity of not less than 2.5 kilowatt-hours; and

7 3. Is capable of being recharged from an external source
8 of electricity; and

9 (viii) Is titled by the taxpayer on or after October 1, 2010, but
10 before July 1, [2013] **2014**.

11 (b) (1) **[A] SUBJECT TO AVAILABLE FUNDING, A** credit is allowed
12 against the excise tax imposed for a qualified plug-in electric drive vehicle.

13 (2) Subject to the limitations under subsections (c) through (e) of this
14 section, the credit allowed under this section equals 100% of the excise tax imposed for
15 a vehicle.

16 (c) The credit allowed under this section may not exceed \$2,000.

17 (d) The credit allowed under this section is limited to the acquisition of:

18 (1) One vehicle per individual; and

19 (2) 10 vehicles per business entity.

20 (e) A credit may not be claimed under this section:

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

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

25 (3) For a vehicle that was initially registered in another state.

26 (f) The Motor Vehicle Administration shall administer the credit under this
27 section.

28 SECTION 2. AND BE IT FURTHER ENACTED, That, notwithstanding any
29 other provision of law, for fiscal years 2016, 2017, and 2018, respectively, the lesser of
30 \$600,000 or the total amount of credit certificates issued in tax years 2014, 2015, and
31 2016, respectively, shall be transferred from the Strategic Energy Investment Fund

1 established under § 9–20B–05 of the State Government Article to the General Fund to
2 offset a reduction in revenues from the tax credit for electric vehicle recharging
3 equipment established under § 10–729 of the Tax – General Article as enacted by this
4 Act.

5 SECTION 3. AND BE IT FURTHER ENACTED, That, notwithstanding any
6 other provision of law, for fiscal year 2014, the lesser of \$1,287,000 or the actual total
7 amount of credits allowed against the excise tax shall be transferred from the
8 Strategic Energy Investment Fund established under § 9–20B–05 of the State
9 Government Article to the Transportation Trust Fund to offset a reduction in revenues
10 from the vehicle excise tax credit for qualified plug–in electric drive vehicles under §
11 13–815 of the Transportation Article as enacted by this Act.

12 SECTION 4. AND BE IT FURTHER ENACTED, That this Act shall take effect
13 July 1, 2013.

Approved:

Governor.

Speaker of the House of Delegates.

President of the Senate.