

SENATE BILL 908

Q5, Q3, R4

4lr2213
CF HB 1345

By: **Senators Manno, Ramirez, Feldman, King, Madaleno, and Peters**

Introduced and read first time: January 31, 2014

Assigned to: Budget and Taxation and Finance

Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: March 15, 2014

CHAPTER _____

1 AN ACT concerning

2 **Electric Vehicles and Recharging Equipment – Rebates and Tax Credits**

3 FOR the purpose of repealing the credit against the State income tax for the cost of
4 certain qualified electric vehicle recharging equipment; establishing, for certain
5 ~~calendar~~ fiscal years, the Electric Vehicle Recharging Equipment Rebate
6 Program to provide certain rebates to certain individuals and ~~business~~
7 for the costs of acquiring and installing certain equipment; requiring the
8 Maryland Energy Administration to administer the Program; providing for the
9 amount of a rebate and a limit on the total amount of rebates that may be
10 issued; limiting the number of rebates that an individual may claim;
11 authorizing the Administration to adopt certain regulations; authorizing the
12 Administration to use the Maryland Strategic Energy Investment Fund to pay
13 for certain rebates; extending the credit against the motor vehicle excise tax for
14 certain qualified plug-in electric drive vehicles for a certain period of time;
15 altering the type of vehicle the credit applies to; altering the calculation of the
16 credit; providing that the credit may not exceed a certain amount; altering a
17 requirement to transfer certain amounts from the Fund during certain fiscal
18 years; transferring certain money from the Fund to the Transportation Trust
19 Fund in certain fiscal years; requiring the Maryland Energy Administration and
20 the Maryland Department of Transportation to report to certain committees of
21 the General Assembly on or before a certain date; defining certain terms; and
22 generally relating to tax incentives for the purchase of electric vehicles and
23 certain rebates for the purchase and installation of electric vehicle recharging
24 equipment.

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
2 Article – Tax – General
3 Section 10–729
4 Annotated Code of Maryland
5 (2010 Replacement Volume and 2013 Supplement)

6 BY repealing and reenacting, without amendments,
7 Article – State Government
8 Section 9–2001(a) and (b) and 9–20B–05(a)
9 Annotated Code of Maryland
10 (2009 Replacement Volume and 2013 Supplement)

11 BY adding to
12 Article – State Government
13 Section 9–2009 and 9–20B–05(f)(7)
14 Annotated Code of Maryland
15 (2009 Replacement Volume and 2013 Supplement)

16 BY repealing and reenacting, with amendments,
17 Article – State Government
18 Section 9–20B–05(f)(6) and (7)
19 Annotated Code of Maryland
20 (2009 Replacement Volume and 2013 Supplement)

21 BY repealing and reenacting, with amendments,
22 Article – Transportation
23 Section 13–815
24 Annotated Code of Maryland
25 (2012 Replacement Volume and 2013 Supplement)

26 BY repealing and reenacting, with amendments,
27 Chapter 389 of the Acts of the General Assembly of 2013
28 Section 2

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

31 **Article – Tax – General**

32 [10–729.

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

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

35 (3) “Qualified electric vehicle recharging equipment” means property
36 used for the recharging of motor vehicles propelled by electricity that meets the

1 definition of “qualified alternative fuel vehicle refueling property” in § 30C of the
2 Internal Revenue Code.

3 (b) For tax years 2011 through 2016 only, an individual or corporation that
4 receives an initial credit certificate under subsection (d) of this section from the
5 Administration may claim a credit against the State income tax for a taxable year in
6 an amount equal to 20% of the cost of any qualified electric vehicle recharging
7 equipment placed in service by the taxpayer during the taxable year.

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

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

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

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

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

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

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

22 (i) 1 recharging system per individual; and

23 (ii) 30 recharging systems per business entity.

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

26 (i) for tax year 2011, \$400,000;

27 (ii) for tax year 2012, \$500,000; and

28 (iii) for tax years 2013 through 2016, inclusive, \$600,000 each
29 tax year.

30 (5) On January 1, 2012, and each year the credit is authorized, the
31 Administration shall provide to the Comptroller a list of all taxpayers in the prior tax

1 year that have been issued an initial credit certificate and shall specify for each
2 taxpayer the maximum amount of credit allowed.

3 (6) (i) The Administration may adopt regulations to administer the
4 initial credit certificate required under this subsection.

5 (ii) The regulations adopted by the Administration may include
6 a further limit on the maximum amount of credit that may be claimed by the
7 taxpayer.]

8 Article – State Government

9 9–2001.

10 (a) In this subtitle the following words have the meanings indicated.

11 (b) “Administration” means the Maryland Energy Administration.

12 **9–2009.**

13 (A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE
14 MEANINGS INDICATED.

15 (2) “ELECTRIC VEHICLE RECHARGING EQUIPMENT REBATE”
16 MEANS A REBATE ISSUED BY THE ADMINISTRATION UNDER THIS SECTION FOR
17 THE COST OF QUALIFIED ELECTRIC VEHICLE RECHARGING EQUIPMENT.

18 (3) “QUALIFIED ELECTRIC VEHICLE RECHARGING EQUIPMENT”
19 MEANS PROPERTY IN THE STATE THAT IS USED FOR RECHARGING MOTOR
20 VEHICLES PROPELLED BY ELECTRICITY.

21 (4) “RETAIL SERVICE STATION DEALER” HAS THE MEANING
22 STATED IN § 10–101 OF THE BUSINESS REGULATION ARTICLE.

23 (B) (1) THERE IS AN ELECTRIC VEHICLE RECHARGING EQUIPMENT
24 REBATE PROGRAM.

25 (2) THE ADMINISTRATION SHALL ADMINISTER THE PROGRAM.

26 (C) (1) FOR ~~CALENDAR YEARS 2014~~ FISCAL YEARS 2015 THROUGH
27 2017, SUBJECT TO THE PROVISIONS OF THIS SECTION, AN ~~INDIVIDUAL OR~~
28 INDIVIDUAL, A BUSINESS ENTITY, OR A UNIT OF STATE OR LOCAL GOVERNMENT
29 MAY APPLY TO THE ADMINISTRATION FOR AN ELECTRIC VEHICLE RECHARGING
30 EQUIPMENT REBATE FOR THE COSTS OF ACQUIRING AND INSTALLING
31 QUALIFIED ELECTRIC VEHICLE RECHARGING EQUIPMENT.

1 **(2) FOR EACH ~~CALENDAR~~ FISCAL YEAR, THE TOTAL AMOUNT OF**
2 **REBATES ISSUED BY THE ADMINISTRATION MAY NOT EXCEED \$600,000.**

3 **(3) THE ADMINISTRATION MAY ALLOW AN APPLICANT TO**
4 **INCLUDE REASONABLE INSTALLATION COSTS IN THE COST OF QUALIFIED**
5 **ELECTRIC VEHICLE RECHARGING EQUIPMENT FOR THE PURPOSE OF**
6 **CALCULATING THE AMOUNT OF AN ELECTRIC VEHICLE RECHARGING**
7 **EQUIPMENT REBATE.**

8 **(D) SUBJECT TO SUBSECTION (E) OF THIS SECTION, THE**
9 **ADMINISTRATION MAY ISSUE AN ELECTRIC VEHICLE RECHARGING EQUIPMENT**
10 **REBATE TO:**

11 **(1) AN INDIVIDUAL IN AN AMOUNT EQUAL TO THE LESSER OF:**

12 **(I) 50% OF THE COSTS OF ACQUIRING AND INSTALLING**
13 **QUALIFIED ELECTRIC VEHICLE RECHARGING EQUIPMENT; OR**

14 **(II) \$900; ~~OR~~**

15 **(2) EXCEPT AS PROVIDED IN ITEM (3) OF THIS SUBSECTION, A**
16 **BUSINESS ENTITY OR UNIT OF STATE OR LOCAL GOVERNMENT IN AN AMOUNT**
17 **EQUAL TO THE LESSER OF:**

18 **(I) 50% OF THE COSTS OF ACQUIRING AND INSTALLING**
19 **QUALIFIED ELECTRIC VEHICLE RECHARGING EQUIPMENT; OR**

20 **(II) \$5,000; OR**

21 **(3) A RETAIL SERVICE STATION DEALER IN AN AMOUNT EQUAL TO**
22 **THE LESSER OF:**

23 **(I) 50% OF THE COSTS OF ACQUIRING AND INSTALLING**
24 **QUALIFIED ELECTRIC VEHICLE RECHARGING EQUIPMENT; OR**

25 **(II) \$7,500.**

26 **(E) AN ELECTRIC VEHICLE RECHARGING EQUIPMENT REBATE ISSUED**
27 **UNDER THIS SECTION IS LIMITED TO THE ACQUISITION OF ONE RECHARGING**
28 **SYSTEM PER INDIVIDUAL.**

29 **(F) (1) THE ADMINISTRATION MAY ADOPT REGULATIONS TO CARRY**
30 **OUT THIS SECTION.**

1 **(2) THE REGULATIONS ADOPTED UNDER THIS SUBSECTION MAY**
 2 **INCLUDE:**

3 **(I) FURTHER LIMITATIONS ON THE MAXIMUM AMOUNT OF**
 4 **AN ELECTRIC VEHICLE RECHARGING EQUIPMENT REBATE THAT MAY BE**
 5 **CLAIMED BY AN APPLICANT UNDER SUBSECTION (D) OF THIS SECTION;**

6 **(II) A REQUIREMENT THAT AN APPLICANT DEMONSTRATE**
 7 **COMPLIANCE WITH A STATE, LOCAL, OR FEDERAL LAW THAT APPLIES TO THE**
 8 **INSTALLATION OR OPERATION OF THE QUALIFIED ELECTRIC VEHICLE**
 9 **RECHARGING EQUIPMENT; AND**

10 **(III) ANY ADDITIONAL APPLICATION AND QUALIFICATION**
 11 **REQUIREMENTS DEEMED APPROPRIATE BY THE ADMINISTRATION.**

12 9–20B–05.

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

14 (f) The Administration shall use the Fund:

15 (6) to implement energy–related public education and outreach
 16 initiatives regarding reducing energy consumption and greenhouse gas emissions;
 17 [and]

18 **(7) TO PROVIDE REBATES UNDER THE ELECTRIC VEHICLE**
 19 **RECHARGING EQUIPMENT REBATE PROGRAM ESTABLISHED UNDER § 9–2009**
 20 **OF THIS TITLE; AND**

21 **[(7)] (8)** to pay the expenses of the Program.

22 **Article – Transportation**

23 13–815.

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

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

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

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

1 (3) Is [titled by the taxpayer] **PURCHASED NEW AND TITLED FOR**
2 **THE FIRST TIME** on or after ~~October 1, 2010~~ **JULY 1, 2014**, but before July 1, [2014]
3 **2017**.

4 (c) [(1)] Subject to available funding, a credit is allowed against the excise
5 tax imposed for a plug-in electric drive vehicle.

6 [(2) Subject to the limitations under subsections (d) through (f) of this
7 section, the credit allowed under this section equals 100% of the excise tax imposed for
8 a vehicle.]

9 (d) The credit allowed under this section may not exceed **THE LESSER OF:**

10 [(1) \$600 for a vehicle with a battery capacity of at least 4.0
11 kilowatt-hours but not more than 10.0 kilowatt-hours;

12 (2) \$700 for a vehicle with a battery capacity of at least 10.1
13 kilowatt-hours but not more than 15.0 kilowatt-hours; and

14 (3) \$1,000 for a vehicle with a battery capacity of at least 15.0
15 kilowatt-hours.]

16 **(1) THE PRODUCT OF \$125 TIMES THE NUMBER OF**
17 **KILOWATT-HOURS OF BATTERY 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
25 State or federal laws or regulations governing clean-fuel vehicle or electric vehicle
26 purchases applicable during the calendar year in which the vehicle is titled; ~~or~~

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

28 (g) The Motor Vehicle Administration shall administer the credit under this
29 section.

1

Chapter 389 of the Acts of 2013

2 SECTION 2. AND BE IT FURTHER ENACTED, That, notwithstanding any
3 other provision of law, for fiscal [years 2016, 2017, and 2018, respectively,] **YEAR**
4 **2016**, the lesser of \$600,000 or the total amount of credit certificates issued in tax
5 [years 2014, 2015, and 2016, respectively,] **YEAR 2014** shall be transferred from the
6 Strategic Energy Investment Fund established under § 9–20B–05 of the State
7 Government Article to the General Fund to offset a reduction in revenues from the tax
8 credit for electric vehicle recharging equipment established under § 10–729 of the
9 Tax – General Article as enacted by this Act.

10 SECTION 2. AND BE IT FURTHER ENACTED, That, notwithstanding any
11 other provision of law, for fiscal years 2015, 2016, and 2017, respectively, the lesser of
12 \$1,287,000 or the actual total amount of credits allowed against the excise tax shall be
13 transferred from the Strategic Energy Investment Fund established under § 9–20B–05
14 of the State Government Article to the Transportation Trust Fund to offset a reduction
15 in revenues from the vehicle excise tax credit for qualified plug-in electric drive
16 vehicles under § 13–815 of the Transportation Article, as enacted by this Act. The total
17 amount of credits allowed against the excise tax may not exceed \$1,800,000 during the
18 course of any fiscal year.

19 SECTION 3. AND BE IT FURTHER ENACTED, That, on or before January 1,
20 2015, the Maryland Energy Administration and the Maryland Department of
21 Transportation shall report to the Senate Budget and Taxation Committee, the House
22 Appropriations Committee, and the House Committee on Ways and Means, in
23 accordance with § 2–1246 of the State Government Article, on:

24 (1) the amount of Transportation Trust Fund revenue that is paid by
25 owners of electric vehicles to the Transportation Trust Fund for the construction and
26 maintenance of roadways in the State; and

27 (2) a plan for owners of electric vehicles to contribute to the
28 Transportation Trust Fund for the construction and maintenance of roadways in the
29 State.

30 SECTION ~~3~~ 4. AND BE IT FURTHER ENACTED, That this Act shall take
31 effect July 1, 2014.