

# HOUSE BILL 1611

Q3

6lr3779

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By: **Delegate Hixson**

Introduced and read first time: February 26, 2016

Assigned to: Rules and Executive Nominations

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## A BILL ENTITLED

1 AN ACT concerning

2 **Income Tax Credit – HVAC Energy Efficiency Technology**

3 FOR the purpose of allowing a credit against the State income tax for certain costs of certain  
4 HVAC energy efficiency technology; providing that the credit may not exceed a  
5 certain amount; providing that the credit may not be carried forward to another  
6 taxable year; requiring a taxpayer claiming the credit to attach certain proof to the  
7 taxpayer's return; defining a certain term; providing for the application of this Act;  
8 and generally relating to an income tax credit for certain HVAC energy efficiency  
9 technology.

10 BY adding to

11 Article – Tax – General

12 Section 10–737

13 Annotated Code of Maryland

14 (2010 Replacement Volume and 2015 Supplement)

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

17 **Article – Tax – General**

18 **10–737.**

19 **(A) IN THIS SECTION, “HVAC ENERGY EFFICIENCY TECHNOLOGY” MEANS**  
20 **HEATING, VENTILATION, AND AIR–CONDITIONING TECHNOLOGY, INCLUDING A**  
21 **REVERSIBLE AIR MANAGEMENT SYSTEM, THE GOALS OF WHICH ARE TO IMPROVE**  
22 **OCCUPANT THERMAL COMFORT, IMPROVE INDOOR AIR QUALITY, AND SAVE ENERGY**  
23 **USED FOR SPACE HEATING AND COOLING IN FORCED AIR SYSTEMS.**

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1           **(B) SUBJECT TO THE LIMITATIONS OF THIS SECTION, A TAXPAYER MAY**  
2 **CLAIM A CREDIT AGAINST THE STATE INCOME TAX FOR THE TOTAL INSTALLED**  
3 **COSTS OF HVAC ENERGY EFFICIENCY TECHNOLOGY PAID OR INCURRED DURING**  
4 **THE TAXABLE YEAR.**

5           **(C) THE CREDIT ALLOWED UNDER THIS SECTION MAY NOT EXCEED THE**  
6 **LESSER OF:**

7                   **(1) (I) FOR HVAC ENERGY EFFICIENCY TECHNOLOGY INSTALLED**  
8 **ON A RESIDENTIAL PROPERTY, \$1,500; OR**

9                           **(II) FOR HVAC ENERGY EFFICIENCY TECHNOLOGY INSTALLED**  
10 **ON A COMMERCIAL PROPERTY, \$10,000; OR**

11                   **(2) 25% OF THE TOTAL INSTALLED COSTS OF THE HVAC ENERGY**  
12 **EFFICIENCY TECHNOLOGY.**

13           **(D) (1) THE TOTAL AMOUNT OF THE CREDIT ALLOWED UNDER THIS**  
14 **SECTION FOR ANY TAXABLE YEAR MAY NOT EXCEED THE STATE INCOME TAX FOR**  
15 **THAT TAXABLE YEAR, CALCULATED BEFORE THE APPLICATION OF THE CREDITS**  
16 **UNDER THIS SECTION AND §§ 10-701 AND 10-701.1 OF THIS SUBTITLE, BUT AFTER**  
17 **THE APPLICATION OF OTHER CREDITS ALLOWABLE UNDER THIS SUBTITLE.**

18                   **(2) THE UNUSED AMOUNT OF CREDIT FOR ANY TAXABLE YEAR MAY**  
19 **NOT BE CARRIED OVER TO ANY OTHER TAXABLE YEAR.**

20           **(E) THE CREDIT UNDER THIS SECTION MAY NOT BE CLAIMED FOR HVAC**  
21 **ENERGY EFFICIENCY TECHNOLOGY INSTALLED BEFORE JANUARY 1, 2016.**

22           **(F) A TAXPAYER CLAIMING THE CREDIT ALLOWED UNDER THIS SECTION**  
23 **SHALL ATTACH TO THE TAXPAYER'S RETURN PROOF OF THE TOTAL INSTALLED**  
24 **COSTS OF THE HVAC ENERGY EFFICIENCY TECHNOLOGY.**

25           SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July  
26 1, 2016, and shall be applicable to all taxable years beginning after December 31, 2015.