

**HB0490/825669/1**

BY: Committee on Ways and Means

AMENDMENTS TO HOUSE BILL 490

(First Reading File Bill)

AMENDMENT NO. 1

On page 1, strike beginning with “allowing” in line 3 down through “term,” in line 7 and substitute “allowing a credit against the State income tax for certain costs of a taxpayer that installs an energy storage system and obtains a tax credit certificate from the Maryland Energy Administration; requiring the Administration to issue tax credit certificates not exceeding certain amounts; prohibiting the Administration from issuing more than a certain aggregate amount of tax credit certificates in a taxable year; requiring the Administration to approve applications for tax credit certificates in a certain manner; providing that the credit may not exceed the State income tax for the taxable year; providing that the credit may not be carried forward to another taxable year; requiring the Administration to report certain information to the Comptroller on or before a certain date each year; requiring the Administration, in consultation with the Comptroller, to adopt regulations to carry out the tax credit; defining certain terms;”.

AMENDMENT NO. 2

On pages 1 and 2, strike in their entirety the lines beginning with line 18 on page 1 through line 26 on page 2, inclusive, and substitute:

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

(2) “ADMINISTRATION” MEANS THE MARYLAND ENERGY ADMINISTRATION.

(3) “ENERGY STORAGE SYSTEM” MEANS A SYSTEM USED TO STORE ELECTRICAL ENERGY, OR MECHANICAL, CHEMICAL, OR THERMAL ENERGY THAT

(Over)

WAS ONCE ELECTRICAL ENERGY, FOR USE AS ELECTRICAL ENERGY AT A LATER DATE OR IN A PROCESS THAT OFFSETS ELECTRICITY USE AT PEAK TIMES.

(B) SUBJECT TO THE LIMITATIONS OF THIS SECTION, A TAXPAYER THAT RECEIVES A TAX CREDIT CERTIFICATE FROM THE ADMINISTRATION MAY CLAIM A CREDIT AGAINST THE STATE INCOME TAX FOR THE TOTAL INSTALLED COSTS OF AN ENERGY STORAGE SYSTEM PAID OR INCURRED DURING THE TAXABLE YEAR.

(C) ON APPLICATION BY A TAXPAYER, THE ADMINISTRATION SHALL ISSUE A TAX CREDIT CERTIFICATE THAT MAY NOT EXCEED THE LESSER OF:

(1) (I) FOR AN ENERGY STORAGE SYSTEM INSTALLED ON A RESIDENTIAL PROPERTY, \$5,000; OR

(II) FOR AN ENERGY STORAGE SYSTEM INSTALLED ON A COMMERCIAL PROPERTY, \$150,000; OR

(2) 30% OF THE TOTAL INSTALLED COSTS OF THE ENERGY STORAGE SYSTEM.

(D) THE ADMINISTRATION MAY NOT ISSUE AN AGGREGATE AMOUNT OF TAX CREDIT CERTIFICATES EXCEEDING \$750,000 IN A TAXABLE YEAR.

(E) THE ADMINISTRATION SHALL APPROVE ALL APPLICATIONS THAT QUALIFY FOR A TAX CREDIT CERTIFICATE:

(1) ON A FIRST-COME, FIRST-SERVED BASIS; AND

(2) IN A TIMELY MANNER.

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

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

(G) THE CREDIT UNDER THIS SECTION MAY NOT BE CLAIMED FOR AN ENERGY STORAGE SYSTEM INSTALLED BEFORE JANUARY 1, 2018, OR AFTER DECEMBER 31, 2022.

(H) ON OR BEFORE JANUARY 31 EACH TAXABLE YEAR, THE ADMINISTRATION SHALL REPORT TO THE COMPTROLLER ON THE TAX CREDIT CERTIFICATES ISSUED UNDER THIS SECTION DURING THE PRIOR TAXABLE YEAR.

(I) THE ADMINISTRATION, IN CONSULTATION WITH THE COMPTROLLER, SHALL ADOPT REGULATIONS TO CARRY OUT THIS SECTION.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2017, and shall be applicable to all taxable years beginning after December 31, 2017.”.