

HOUSE BILL 648

Q3

7lr1239
CF SB 57

By: **Delegates Hixson, Patterson, Turner, and M. Washington**

Introduced and read first time: February 1, 2017

Assigned to: Ways and Means

Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 31, 2017

CHAPTER _____

1 AN ACT concerning

2 **Income Tax Credit – Class F Vehicles – Modification and Extension**

3 FOR the purpose of ~~altering the taxable years for which an individual or a corporation may~~
4 ~~claim a State income tax credit for the expense of registering certain qualified~~
5 ~~vehicles in the State; repealing certain obsolete language; making certain~~
6 ~~modifications to the State income tax credit for the expense of registering certain~~
7 ~~qualified vehicles in the State; requiring a taxpayer to obtain a tax credit certificate~~
8 ~~from the Motor Vehicle Administration to receive the credit; requiring the~~
9 ~~Administration to issue tax credit certificates of a certain amount for each qualified~~
10 ~~vehicle in a certain manner; limiting the aggregate amount of tax credit certificates~~
11 ~~the Administration may issue to any one taxpayer and to all taxpayers in a taxable~~
12 ~~year; providing that the credit may not exceed the State income tax for a taxable~~
13 ~~year and may not be carried over to any other taxable year; requiring the~~
14 ~~Administration to report certain information to the Comptroller annually on or~~
15 ~~before a certain date; requiring the Administration, in consultation with the~~
16 ~~Comptroller, to adopt regulations to carry out the tax credit; providing for the~~
17 ~~application of this Act; defining certain terms; and generally relating to a State~~
18 ~~income tax credit for the expense of registering certain qualified vehicles in the State.~~

19 ~~BY repealing and reenacting, without amendments,~~
20 ~~Article – Tax – General~~
21 ~~Section 10-734~~
22 ~~Annotated Code of Maryland~~
23 ~~(2010 Replacement Volume and 2014 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.



~~BY repealing and reenacting, with amendments,
Chapter 425 of the Acts of the General Assembly of 2013
Section 22~~

BY adding to
Article – Tax – General
Section 10-734.1
Annotated Code of Maryland
(2016 Replacement Volume)

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

Article – Tax – General

~~10-734.~~

~~(a) In this section, “qualified vehicle” means a Class F (tractor) vehicle described under § 13-023 of the Transportation Article that is titled and registered in the State.~~

~~(b) Subject to the limitations of this section, an individual or a corporation may claim a credit against the State income tax for the expense of registering a qualified vehicle in the State.~~

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

~~(i) \$400 for each qualified vehicle; or~~

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

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

~~Chapter 425 of the Acts of 2013~~

~~SECTION 22. AND BE IT FURTHER ENACTED, That Section 4 of this Act shall take effect September 1, 2013, and shall be applicable to all taxable years beginning after December 31, 2013, but before January 1, [2017, contingent on the taking effect of an increased toll structure at Maryland toll facilities. If an increased toll structure at Maryland toll facilities does not take effect on or before September 1, 2013, Section 4 of this Act shall be null and void without the necessity of further action by the General Assembly.]~~
~~2020.~~

~~SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2017.~~

1 10-734.1.

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

4 (2) “ADMINISTRATION” MEANS THE MOTOR VEHICLE
5 ADMINISTRATION.

6 (3) “QUALIFIED VEHICLE” MEANS A CLASS F (TRACTOR) VEHICLE
7 DESCRIBED UNDER § 13-923 OF THE TRANSPORTATION ARTICLE THAT IS TITLED
8 AND REGISTERED IN THE STATE.

9 (B) SUBJECT TO THE LIMITATIONS OF THIS SECTION, AN INDIVIDUAL OR A
10 CORPORATION THAT OBTAINS A TAX CREDIT CERTIFICATE FROM THE
11 ADMINISTRATION MAY CLAIM A CREDIT AGAINST THE STATE INCOME TAX FOR THE
12 EXPENSE OF REGISTERING A QUALIFIED VEHICLE IN THE STATE DURING THE
13 TAXABLE YEAR.

14 (C) (1) SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, ON
15 APPLICATION BY A TAXPAYER, THE ADMINISTRATION SHALL ISSUE A TAX CREDIT
16 CERTIFICATE IN THE AMOUNT OF \$400 FOR EACH QUALIFIED VEHICLE REGISTERED
17 BY THE TAXPAYER DURING THE TAXABLE YEAR.

18 (2) FOR ANY TAXABLE YEAR, THE ADMINISTRATION MAY NOT ISSUE
19 AN AGGREGATE AMOUNT OF TAX CREDIT CERTIFICATES TOTALING MORE THAN:

20 (I) \$10,000 TO ANY ONE TAXPAYER; OR

21 (II) \$500,000 TO ALL TAXPAYERS.

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

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

25 (2) IN A TIMELY MANNER.

26 (E) (1) FOR ANY TAXABLE YEAR, THE CREDIT ALLOWED UNDER THIS
27 SECTION MAY NOT EXCEED THE STATE INCOME TAX FOR THAT TAXABLE YEAR.

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

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

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

6 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
7 1, 2017, and shall be applicable to all taxable years beginning after December 31, 2016, but
8 before January 1, 2020.

Approved:

Governor.

Speaker of the House of Delegates.

President of the Senate.