

# SENATE BILL 329

Q3

1lr1167

(PRE-FILED)

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By: **Senator Benson**

Requested: October 27, 2020

Introduced and read first time: January 13, 2021

Assigned to: Budget and Taxation

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## A BILL ENTITLED

1 AN ACT concerning

2 **Income Tax – Credit for the Purchase and Installation of Indoor Air Quality**  
3 **Equipment**

4 FOR the purpose of allowing individuals to claim a credit against the State income tax for  
5 certain costs incurred during the taxable year to purchase and install certain indoor  
6 air quality equipment in a home or commercial building; requiring an individual to  
7 obtain a certain eligibility certificate from the Maryland Energy Administration in  
8 order to claim the credit; specifying the form and contents of the certificate; requiring  
9 an individual to file the certificate with the individual's income tax return; providing  
10 that the tax credit may not exceed a certain amount and that any unused credit may  
11 not be carried over to any other taxable year; authorizing the Administration to  
12 adopt certain regulations in consultation with the Maryland Department of Health;  
13 defining certain terms; providing for the application of this Act; and generally  
14 relating to an income tax credit for costs incurred to purchase and install indoor air  
15 quality equipment.

16 BY adding to  
17 Article – Tax – General  
18 Section 10–751  
19 Annotated Code of Maryland  
20 (2016 Replacement Volume and 2020 Supplement)

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

23 **Article – Tax – General**

24 **10–751.**

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



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

3 (2) "ADMINISTRATION" MEANS THE MARYLAND ENERGY  
4 ADMINISTRATION.

5 (3) "INDOOR AIR QUALITY EQUIPMENT" MEANS EQUIPMENT  
6 INSTALLED IN A HOME OR COMMERCIAL BUILDING THAT:

7 (I) 1. DETECTS AND MONITORS THE PRESENCE OF  
8 AIRBORNE POLLUTANTS OR HARMFUL MICROORGANISMS; OR

9 2. IMPROVES INDOOR AIR QUALITY, INCLUDING  
10 VENTILATION AND FILTRATION SYSTEMS, IONIZATION TECHNOLOGIES,  
11 EVAPORATIVE COOLERS OR WHOLE HOUSE FANS, OR AIR PURIFIERS OR CLEANERS;  
12 AND

13 (II) IS CERTIFIED AS INDOOR AIR QUALITY EQUIPMENT BY THE  
14 ADMINISTRATION.

15 (4) "QUALIFIED EXPENSES" MEANS COSTS INCURRED TO PURCHASE  
16 AND INSTALL INDOOR AIR QUALITY EQUIPMENT FOR USE IN A HOME OR  
17 COMMERCIAL BUILDING.

18 (B) SUBJECT TO THE LIMITATIONS OF THIS SECTION, AN INDIVIDUAL MAY  
19 CLAIM A CREDIT AGAINST THE STATE INCOME TAX IN AN AMOUNT EQUAL TO 50% OF  
20 THE QUALIFIED EXPENSES INCURRED DURING THE TAXABLE YEAR.

21 (C) (1) IN ORDER TO CLAIM THE CREDIT UNDER THIS SECTION, AN  
22 INDIVIDUAL MUST OBTAIN FROM THE ADMINISTRATION AN ELIGIBILITY  
23 CERTIFICATE.

24 (2) THE ELIGIBILITY CERTIFICATE UNDER THIS SUBSECTION SHALL:

25 (I) CONSIST OF A CERTIFICATION BY THE ADMINISTRATION  
26 THAT THE EQUIPMENT FOR WHICH THE INDIVIDUAL IS CLAIMING THE CREDIT  
27 MEETS THE CRITERIA FOR INDOOR AIR QUALITY EQUIPMENT UNDER THIS SECTION  
28 AND ANY OTHER CRITERIA THAT THE ADMINISTRATION REQUIRES BY REGULATION;  
29 AND

30 (II) BE IN THE FORM AND CONTAIN ANY OTHER INFORMATION  
31 THAT THE ADMINISTRATION REQUIRES.

1           **(3) THE INDIVIDUAL SHALL FILE THE ELIGIBILITY CERTIFICATE**  
2 **WITH THE INDIVIDUAL'S INCOME TAX RETURN.**

3           **(D) (1) FOR ANY TAXABLE YEAR, THE CREDIT ALLOWED UNDER THIS**  
4 **SECTION MAY NOT EXCEED THE LESSER OF:**

5                   **(I) \$1,000; OR**

6                   **(II) THE STATE INCOME TAX IMPOSED FOR THE TAXABLE YEAR.**

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

9           **(E) THE ADMINISTRATION MAY ADOPT REGULATIONS, IN CONSULTATION**  
10 **WITH THE MARYLAND DEPARTMENT OF HEALTH, THAT ESTABLISH ADDITIONAL**  
11 **CRITERIA FOR THE CERTIFICATION OF INDOOR AIR QUALITY EQUIPMENT UNDER**  
12 **THIS SECTION.**

13           SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July  
14 1, 2021, and shall be applicable to all taxable years beginning after December 31, 2020.