

SENATE BILL 215

Q3, M3

2lr0101

(PRE-FILED)

By: **Chair, Budget and Taxation Committee (By Request – Departmental – Maryland Energy Administration)**

Requested: October 5, 2021

Introduced and read first time: January 12, 2022

Assigned to: Budget and Taxation

Committee Report: Favorable

Senate action: Adopted

Read second time: February 2, 2022

CHAPTER _____

1 AN ACT concerning

2 **Income Tax – Energy Storage Tax Credit – Alterations and Extension**

3 FOR the purpose of increasing the total amount of tax credit certificates that the Maryland
4 Energy Administration may issue in a taxable year for the costs of installing an
5 energy storage system; authorizing, under certain circumstances, a taxpayer to claim
6 a refund of the credit; altering the date by which an energy storage system is
7 required to be installed for purposes of eligibility for the credit; and generally
8 relating to the energy storage tax credit.

9 BY repealing and reenacting, without amendments,
10 Article – Tax – General
11 Section 10–719(a) and (b)
12 Annotated Code of Maryland
13 (2016 Replacement Volume and 2021 Supplement)

14 BY repealing and reenacting, with amendments,
15 Article – Tax – General
16 Section 10–719(d), (f), and (g)
17 Annotated Code of Maryland
18 (2016 Replacement Volume and 2021 Supplement)

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

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.



Article – Tax – General

10–719.

(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 was once electrical energy, for use as electrical energy at a later date or in a process that offsets electricity use at peak times.

(4) “Taxpayer” means:

(i) the owner of a residential property who purchases and installs an energy storage system on the residential property;

(ii) the owner of a commercial property who purchases and installs an energy storage system on the commercial property; or

(iii) an individual or a corporation that owns or pays for the installation of an energy storage system that supplies electrical energy intended for use on the residential or commercial property on which the energy storage system is installed.

(b) Subject to the limitations of this section, a taxpayer that receives a tax credit certificate may claim a credit against the State income tax for the total installed costs of an energy storage system installed on residential or commercial property during the taxable year.

(d) The Administration may not issue an aggregate amount of tax credit certificates exceeding [~~\$750,000~~] **\$1,000,000** for a taxable year.

(f) (1) **(I) [The] EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION AND SUBJECT TO SUBPARAGRAPH (II) OF THIS PARAGRAPH, 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)] (II) The unused amount of credit for any taxable year may not be carried over to any other taxable year.

(2) (I) THIS PARAGRAPH APPLIES ONLY TO A TAXPAYER WHO IS AN INDIVIDUAL WHO OWNS AND PAYS FOR THE INSTALLATION OF AN ENERGY STORAGE

1 SYSTEM THAT SUPPLIES ELECTRICAL ENERGY INTENDED FOR USE ON THE PRIMARY
2 RESIDENCE OF THE TAXPAYER.

3 (II) FOR ANY TAXABLE YEAR BEGINNING AFTER DECEMBER 31,
4 2022, IF THE TAX CREDIT ALLOWED UNDER THIS SECTION EXCEEDS THE TOTAL TAX
5 OTHERWISE PAYABLE BY THE TAXPAYER FOR THAT TAXABLE YEAR, THE TAXPAYER
6 MAY CLAIM A REFUND IN THE AMOUNT OF THE EXCESS.

7 (g) The credit under this section may not be claimed for an energy storage system
8 installed before January 1, 2018, or after December 31, [2022] 2024.

9 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
10 1, 2022, and shall be applicable to all taxable years beginning after December 31, 2021.

Approved:

Governor.

President of the Senate.

Speaker of the House of Delegates.