

HOUSE BILL 124

Q5

71r0807

By: **Delegates Cardin, Barnes, Bromwell, Bronrott, Doory, Glassman, Impallaria, Kach, Lawton, Minnick, Morhaim, Rosenberg, Schuler, Stein, F. Turner, and Weir**

Introduced and read first time: January 24, 2007

Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Tax Credit – Fuel-Efficient Vehicles**

3 FOR the purpose of establishing a credit against the motor vehicle excise tax for
4 certain qualified fuel-efficient vehicles for a certain period; establishing certain
5 fuel economy ratings for certain vehicles to qualify for the credit; establishing
6 the amount of the credit; requiring the Motor Vehicle Administration to adopt
7 certain regulations and certify certain information to the Comptroller; repealing
8 an expired credit against the motor vehicle excise tax for certain qualified
9 electric vehicles and certain hybrid vehicles; clarifying a certain definition; and
10 generally relating to a credit against the motor vehicle excise tax for qualified
11 fuel-efficient vehicles.

12 BY repealing

13 Article – Transportation
14 Section 13–815
15 Annotated Code of Maryland
16 (2006 Replacement Volume and 2006 Supplement)

17 BY adding to

18 Article – Transportation
19 Section 13–815
20 Annotated Code of Maryland
21 (2006 Replacement Volume and 2006 Supplement)

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 BY repealing and reenacting, with amendments,
2 Article – Transportation
3 Section 23–206.3
4 Annotated Code of Maryland
5 (2006 Replacement Volume and 2006 Supplement)

6 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
7 MARYLAND, That Section(s) 13–815 of Article – Transportation of the Annotated
8 Code of Maryland be repealed.

9 SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland
10 read as follows:

11 **Article – Transportation**

12 **13–815.**

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

15 (2) “AUTOMOBILE” MEANS A FOUR–WHEELED VEHICLE
16 PROPELLED BY FUEL THAT:

17 (I) IS MANUFACTURED PRIMARILY FOR USE ON PUBLIC
18 STREETS, ROADS, AND HIGHWAYS, OTHER THAN FOR USE EXCLUSIVELY ON A
19 RAIL OR RAILS; AND

20 (II) IS RATED AT NOT MORE THAN 8,500 POUNDS UNLOADED
21 GROSS VEHICLE WEIGHT.

22 (3) “EXCISE TAX” MEANS THE TAX IMPOSED UNDER § 13–809 OF
23 THIS SUBTITLE.

24 (4) “FUEL ECONOMY” HAS THE MEANING STATED IN § 4064 OF
25 THE INTERNAL REVENUE CODE AS DETERMINED BY THE U.S. ENVIRONMENTAL
26 PROTECTION AGENCY.

27 (5) “QUALIFIED FUEL–EFFICIENT VEHICLE” MEANS AN
28 AUTOMOBILE THAT HAS A FUEL ECONOMY RATING:

1 **(I) OF GREATER THAN 45 MILES PER GALLON, FOR AN**
2 **AUTOMOBILE WITH A MANUFACTURER'S SHIPPING WEIGHT OF 3,700 POUNDS**
3 **OR LESS; AND**

4 **(II) OF GREATER THAN 30 MILES PER GALLON, FOR AN**
5 **AUTOMOBILE WITH A MANUFACTURER'S SHIPPING WEIGHT OF MORE THAN**
6 **3,700 POUNDS.**

7 **(B) (1) A CREDIT IS ALLOWED AGAINST THE EXCISE TAX IMPOSED**
8 **FOR A QUALIFIED FUEL-EFFICIENT VEHICLE.**

9 **(2) THE CREDIT ALLOWED UNDER THIS SECTION EQUALS:**

10 **(I) 100% OF THE EXCISE TAX IMPOSED FOR A QUALIFIED**
11 **FUEL-EFFICIENT VEHICLE THAT HAS A FUEL ECONOMY RATING OF GREATER**
12 **THAN 60 MILES PER GALLON; AND**

13 **(II) 50% OF THE EXCISE TAX IMPOSED FOR ALL OTHER**
14 **QUALIFIED FUEL-EFFICIENT VEHICLES.**

15 **(C) THE CREDIT ALLOWED UNDER THIS SECTION APPLIES TO A**
16 **VEHICLE TITLED AFTER JUNE 30, 2007, BUT BEFORE JULY 1, 2011.**

17 **(D) A CREDIT MAY NOT BE CLAIMED UNDER THIS SECTION FOR A**
18 **VEHICLE UNLESS THE VEHICLE IS REGISTERED IN THE STATE.**

19 **(E) THE MOTOR VEHICLE ADMINISTRATION SHALL ADOPT**
20 **REGULATIONS TO ADMINISTER THE CREDIT UNDER THIS SECTION.**

21 **(F) ON OR AFTER OCTOBER 1 OF EACH YEAR, THE ADMINISTRATION**
22 **SHALL CERTIFY TO THE COMPTROLLER THE TOTAL AMOUNT OF CREDITS**
23 **ALLOWED UNDER THIS SECTION AGAINST THE EXCISE TAX FOR THE PRECEDING**
24 **FISCAL YEAR.**

25 23-206.3.

26 (a) In this section, "qualified hybrid vehicle" [has the meaning stated in §
27 13-815(a)(6) of this article] **MEANS AN AUTOMOBILE THAT:**

28 **(1) MEETS ALL APPLICABLE REGULATORY REQUIREMENTS;**

1 **(2) MEETS THE CURRENT VEHICLE EXHAUST STANDARD SET**
2 **UNDER THE FEDERAL TIER 2 PROGRAM FOR GASOLINE POWERED PASSENGER**
3 **CARS UNDER 40 C.F.R. PART 80 ET SEQ.; AND**

4 **(3) CAN DRAW PROPULSION ENERGY FROM BOTH OF THE**
5 **FOLLOWING ONBOARD SOURCES OF STORED ENERGY:**

6 **(I) GASOLINE OR DIESEL FUEL; AND**

7 **(II) A RECHARGEABLE ENERGY STORAGE SYSTEM.**

8 (b) A qualified hybrid vehicle is exempt from the mandatory tests and
9 inspections required by this subtitle if the vehicle obtains a rating from the U.S.
10 Environmental Protection Agency of at least 50 miles per gallon during city fuel
11 economy tests.

12 (c) The Administration shall adopt regulations necessary to implement the
13 provisions of this section.

14 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect
15 July 1, 2007.