

HOUSE BILL 451

Q4

71r2132

HB 1004/06 – W&M

By: **Delegates Bronrott, Ali, Barkley, Bartlett, Barve, Bobo, Bromwell, V. Clagett, Donoghue, Doory, Eckardt, Elmore, Feldman, Frush, George, Goldwater, Haddaway, Hixson, Holmes, Howard, Hubbard, Hucker, James, Jennings, N. King, Krebs, Lawton, Lee, Manno, McComas, McKee, Mizeur, Montgomery, Morhaim, Murphy, Olszewski, Pendergrass, Rice, Ross, Simmons, Smigiel, Sophocleus, Stein, Taylor, ~~and Waldstreicher~~ Waldstreicher, Cardin, Gilchrist, Ivey, Kaiser, Stukes, and Walker**

Introduced and read first time: February 6, 2007

Assigned to: Ways and Means

Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 21, 2007

CHAPTER _____

1 AN ACT concerning

2 **Sales and Use Tax – Tax-Free Period for the Purchase of Energy Efficient**
3 **Products**

4 FOR the purpose of providing an exemption from the sales and use tax during a
5 certain period for the sale of certain appliances and products that meet or
6 exceed certain applicable energy efficiency guidelines and certain solar water
7 heaters; repealing certain obsolete provisions; and generally relating to an
8 exemption from the sales and use tax for a certain period for the sale of certain
9 appliances and products that meet or exceed certain applicable energy efficiency
10 guidelines and certain solar water heaters.

11 BY repealing and reenacting, with amendments,
12 Article – Tax – General
13 Section 11-226

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.



1 Annotated Code of Maryland
2 (2004 Replacement Volume and 2006 Supplement)

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

5 **Article - Tax - General**

6 11-226.

7 [(a) The sales and use tax does not apply to the sale of the following electric
8 appliances that meet or exceed the applicable Energy Star efficiency requirements
9 developed by the United States Environmental Protection Agency and the United
10 States Department of Energy:

11 (1) a clothes washer purchased on or after July 1, 2000, but before
12 July 1, 2003;

13 (2) a room air conditioner purchased on or after January 1, 2001, but
14 before July 1, 2004; or

15 (3) a standard size refrigerator purchased on or after July 1, 2001, but
16 before July 1, 2004.

17 (b) The sales and use tax does not apply to the sale, on or before July 1, 2004,
18 of:

19 (1) a fuel cell that:

20 (i) generates electricity and heat using an electrochemical
21 process;

22 (ii) has an electricity-only generation efficiency greater than
23 35%; and

24 (iii) has a generating capacity of at least 2 kilowatts;

25 (2) a natural gas heat pump that has a coefficient of performance of at
26 least 1.25 for heating and at least 0.70 for cooling;

27 (3) an electric heat pump hot water heater that yields an energy factor
28 of at least 1.7;

1 (4) an electric heat pump that has a heating system performance
2 factor of at least 7.5 and a cooling seasonal energy efficiency ratio of at least 13.5;

3 (5) a central air conditioner that has a cooling seasonal energy
4 efficiency ratio of at least 13.5; or

5 (6) an advanced natural gas water heater that has an energy factor of
6 at least 0.65.]

7 **(A) (1) IN THIS SUBSECTION, “ENERGY STAR PRODUCT” MEANS AN**
8 **AIR CONDITIONER, CLOTHES WASHER, FURNACE, HEAT PUMP, ~~OR~~ STANDARD**
9 **SIZE REFRIGERATOR, COMPACT FLUORESCENT LIGHT BULB, DEHUMIDIFIER, OR**
10 **PROGRAMMABLE THERMOSTAT THAT HAS BEEN DESIGNATED AS MEETING OR**
11 **EXCEEDING THE APPLICABLE ENERGY STAR EFFICIENCY REQUIREMENTS**
12 **DEVELOPED BY THE UNITED STATES ENVIRONMENTAL PROTECTION AGENCY**
13 **AND THE UNITED STATES DEPARTMENT OF ENERGY.**

14 **(2) ~~THE PERIOD FROM OCTOBER 6 5, 2007, THROUGH AND~~**
15 **OCTOBER 8 6, 2007, SHALL BE A TAX-FREE PERIOD DURING WHICH THE**
16 **EXEMPTION UNDER PARAGRAPH (3) OF THIS SUBSECTION SHALL APPLY.**

17 **(3) DURING THE TAX-FREE PERIOD ESTABLISHED UNDER**
18 **PARAGRAPH (2) OF THIS SUBSECTION, THE SALES AND USE TAX DOES NOT**
19 **APPLY TO THE SALE OF ANY:**

20 **(I) ENERGY STAR PRODUCT; OR**

21 **(II) SOLAR WATER HEATER.**

22 **[(c)] (B)** The sales and use tax does not apply to the sale of a multifuel
23 pellet stove designed to burn agricultural field corn.

24 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
25 July 1, 2007.