

HOUSE BILL 1171

M3, Q1

9lr2538

By: Delegates Bartlett, Hecht, Boteler, Cardin, Carr, Carter, Conaway, George, Haddaway, Ivey, Kullen, Murphy, O'Donnell, Olszewski, Rice, Walker, and Walkup ~~Walkup~~, Frick, Gilchrist, Shank, Elmore, Howard, Doory, Hixson, Barve, Ross, Kaiser, Myers, Stukes, Aumann, Beidle, Bobo, Bronrott, G. Clagett, DeBoy, Lee, Mizeur, Stein, and Waldstreicher

Introduced and read first time: February 13, 2009

Assigned to: Ways and Means

Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 25, 2009

CHAPTER _____

1 AN ACT concerning

2 **Alternative Energy Tax Incentive Act of 2009**

3 FOR the purpose of exempting from the sales and use tax the sale of certain wind
4 energy equipment to be used for certain residential purposes; clarifying that
5 certain solar energy property that uses solar thermal electric energy is exempt
6 from the State and local property tax; exempting from the State and local
7 property tax certain wind energy equipment to be used for certain residential
8 purposes; ~~exempting from the State and local property tax certain methane~~
9 ~~digesters~~; defining certain terms; and generally relating to certain tax benefits
10 for certain alternative energy.

11 BY repealing and reenacting, with amendments,
12 Article – Tax – General
13 Section 11–230
14 Annotated Code of Maryland
15 (2004 Replacement Volume and 2008 Supplement)

16 BY repealing and reenacting, with amendments,
17 Article – Tax – Property
18 Section 7–242
19 Annotated Code of Maryland

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 (2007 Replacement Volume and 2008 Supplement)

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

4 **Article - Tax - General**

5 11-230.

6 (a) (1) In this section the following words have the meanings indicated.

7 (2) "Geothermal equipment" means equipment that uses ground loop
8 technology to heat and cool a structure.

9 (3) **"RESIDENTIAL WIND ENERGY EQUIPMENT" MEANS**
10 **EQUIPMENT INSTALLED ON RESIDENTIAL PROPERTY THAT USES WIND ENERGY**
11 **TO GENERATE ELECTRICITY TO BE USED IN A RESIDENTIAL STRUCTURE ON THE**
12 **PROPERTY.**

13 [(3)] (4) (i) "Solar energy equipment" means equipment that uses
14 solar energy to heat or cool a structure, generate electricity to be used in a structure,
15 or provide hot water for use in a structure.

16 (ii) "Solar energy equipment" does not include equipment that is
17 part of a nonsolar energy system or that uses any type of recreational facility or
18 equipment as a storage medium.

19 (b) The sales and use tax does not apply to a sale of geothermal equipment,
20 **RESIDENTIAL WIND ENERGY EQUIPMENT**, or solar energy equipment.

21 **Article - Tax - Property**

22 7-242.

23 [(a) In this section, "solar energy property" means equipment that is installed
24 to use solar energy to generate electricity to be used in a structure, or provide hot
25 water for use in a structure.]

26 (A) (1) **IN THIS SECTION THE FOLLOWING WORDS HAVE THE**
27 **MEANINGS INDICATED.**

28 (2) ~~"METHANE DIGESTER" MEANS EQUIPMENT THAT IS~~
29 ~~INSTALLED TO APPLY WASTEWATER AND SOLIDS TREATMENT TECHNOLOGY~~
30 ~~THAT, WHEN USED ON A FARM, PROCESSES ANIMAL WASTE UNDER ANAEROBIC~~
31 ~~CONDITIONS, YIELDING METHANE GAS AND REDUCING THE VOLUME OF SOLIDS~~
32 ~~AND TREATED LIQUIDS.~~

1 ~~(3)~~ **(2)** **“RESIDENTIAL WIND ENERGY EQUIPMENT” MEANS**
 2 **EQUIPMENT ON RESIDENTIAL PROPERTY THAT IS INSTALLED TO USE WIND**
 3 **ENERGY TO GENERATE ELECTRICITY TO BE USED IN A RESIDENTIAL**
 4 **STRUCTURE ON THE PROPERTY.**

5 ~~(4)~~ **(3)** **“SOLAR ENERGY PROPERTY” MEANS EQUIPMENT THAT**
 6 **IS INSTALLED TO USE SOLAR ENERGY OR SOLAR THERMAL ELECTRIC ENERGY**
 7 **TO GENERATE ELECTRICITY TO BE USED IN A STRUCTURE, OR PROVIDE HOT**
 8 **WATER FOR USE IN A STRUCTURE.**

9 (b) Except as provided in § 8–240 of this article, [solar energy property is not
 10 subject to real property tax] **THE FOLLOWING ARE NOT SUBJECT TO REAL**
 11 **PROPERTY TAX:**

- 12 **(1) ~~METHANE DIGESTERS;~~**
- 13 ~~(2)~~ **RESIDENTIAL WIND ENERGY EQUIPMENT; AND**
- 14 ~~(3)~~ **(2)** **SOLAR ENERGY PROPERTY.**

15 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
 16 July 1, 2009.

Approved:

Governor.

Speaker of the House of Delegates.

President of the Senate.