

## CHAPTER 574

(Senate Bill 621)

AN ACT concerning

### **Sales and Use and Property Tax – Exemptions – Solar Energy Equipment and Property**

FOR the purpose of altering the definition of “solar energy equipment” for purposes of an exemption under the sales and use tax for certain geothermal equipment and solar energy equipment; altering the definition of “solar energy property” for purposes of a property tax exemption for certain solar energy equipment; and generally relating to certain tax exemptions for certain solar energy equipment.

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

BY repealing and reenacting, with amendments,  
Article – Tax – Property  
Section 7–242  
Annotated Code of Maryland  
(2007 Replacement Volume and 2008 Supplement)

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

#### **Article – Tax – General**

11–230.

- (a) (1) In this section the following words have the meanings indicated.
- (2) “Geothermal equipment” means equipment that uses ground loop technology to heat and cool a structure.
- (3) (i) “Solar energy equipment” means equipment that uses solar energy to heat or cool a structure, generate electricity ~~to be used in a structure~~ **OR SUPPLIED TO THE ELECTRIC GRID**, or provide hot water for use in a structure.

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

(b) The sales and use tax does not apply to a sale of geothermal equipment or solar energy equipment.

**Article – Tax – Property**

7–242.

(a) In this section, "solar energy property" means equipment that is installed to use solar energy to generate electricity ~~to be used in a structure~~ **OR SUPPLIED TO THE ELECTRIC GRID**, or provide hot water for use in a structure.

(b) Except as provided in § 8–240 of this article, solar energy property is not subject to real property tax.

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

**Approved by the Governor, May 19, 2009.**