

Chapter 402

(House Bill 163)

AN ACT concerning

Income Tax – Tax Credit for Electric Vehicle Recharging Equipment

FOR the purpose of allowing a credit against the State income tax for certain qualified electric vehicle recharging equipment for certain tax years; requiring the Maryland Energy Administration to administer the tax credit program; providing for the amount of tax credit certificates that may be issued by the Administration; authorizing the Administration to adopt certain regulations; transferring certain money from the Strategic Energy Investment Fund to the General Fund in certain fiscal years; and generally relating to an income tax credit for certain qualified electric vehicle recharging equipment.

BY adding to

Article – Tax – General
Section 10–729
Annotated Code of Maryland
(2010 Replacement Volume)

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

Article – Tax – General

10–729.

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

(2) “ADMINISTRATION” MEANS THE MARYLAND ENERGY ADMINISTRATION.

(3) “QUALIFIED ELECTRIC VEHICLE RECHARGING EQUIPMENT” MEANS PROPERTY USED FOR THE RECHARGING OF MOTOR VEHICLES PROPELLED BY ELECTRICITY THAT MEETS THE DEFINITION OF “QUALIFIED ALTERNATIVE FUEL VEHICLE REFUELING PROPERTY” IN § 30C OF THE INTERNAL REVENUE CODE.

(B) FOR TAX YEARS 2011 THROUGH 2013 ONLY, AN INDIVIDUAL OR CORPORATION THAT RECEIVES AN INITIAL CREDIT CERTIFICATE UNDER

SUBSECTION (D) OF THIS SECTION FROM THE ADMINISTRATION MAY CLAIM A CREDIT AGAINST THE STATE INCOME TAX FOR A TAXABLE YEAR IN AN AMOUNT EQUAL TO 20% OF THE COST OF ANY QUALIFIED ELECTRIC VEHICLE RECHARGING EQUIPMENT PLACED IN SERVICE BY THE TAXPAYER DURING THE TAXABLE YEAR.

(C) (1) FOR ANY TAXABLE YEAR, THE CREDIT ALLOWED UNDER THIS SECTION MAY NOT EXCEED THE LESSER OF:

- (I) \$400 FOR EACH INDIVIDUAL RECHARGING SYSTEM; OR**
- (II) THE STATE INCOME TAX FOR THAT TAXABLE YEAR.**

(2) THE UNUSED AMOUNT OF THE CREDIT FOR ANY TAXABLE YEAR MAY NOT BE CARRIED OVER TO ANY OTHER TAXABLE YEAR.

(D) (1) ON APPLICATION BY A TAXPAYER, THE ADMINISTRATION SHALL ISSUE AN INITIAL CREDIT CERTIFICATE IN AN AMOUNT EQUAL TO 20% OF THE ESTIMATED COST OF THE QUALIFIED ELECTRIC VEHICLE RECHARGING EQUIPMENT TO BE PLACED IN SERVICE IN THE STATE BY THE TAXPAYER DURING THE TAXABLE YEAR.

(2) THE INITIAL CREDIT CERTIFICATE ISSUED UNDER THIS SUBSECTION SHALL STATE THE MAXIMUM AMOUNT OF CREDIT THAT MAY BE CLAIMED BY THE TAXPAYER.

(3) THE CREDIT ALLOWED UNDER THIS SECTION IS LIMITED TO THE ACQUISITION OF:

- (I) 1 RECHARGING SYSTEM PER INDIVIDUAL; AND**
- (II) 30 RECHARGING SYSTEMS PER BUSINESS ENTITY.**

(4) THE ADMINISTRATION MAY ISSUE TOTAL CREDIT CERTIFICATES NOT TO EXCEED THE FOLLOWING AMOUNTS:

- (I) FOR TAX YEAR 2011, \$400,000;**
- (II) FOR TAX YEAR 2012, \$500,000; AND**
- (III) FOR TAX YEAR 2013, \$600,000.**

(5) ON JANUARY 1, 2012, AND EACH YEAR THE CREDIT IS AUTHORIZED, THE ADMINISTRATION SHALL PROVIDE TO THE COMPTROLLER A LIST OF ALL TAXPAYERS IN THE PRIOR TAX YEAR THAT HAVE BEEN ISSUED AN INITIAL CREDIT CERTIFICATE AND SHALL SPECIFY FOR EACH TAXPAYER THE MAXIMUM AMOUNT OF CREDIT ALLOWED.

(6) (I) THE ADMINISTRATION MAY ADOPT REGULATIONS TO ADMINISTER THE INITIAL CREDIT CERTIFICATE REQUIRED UNDER THIS SUBSECTION.

(II) THE REGULATIONS ADOPTED BY THE ADMINISTRATION MAY INCLUDE A FURTHER LIMIT ON THE MAXIMUM AMOUNT OF CREDIT THAT MAY BE CLAIMED BY THE TAXPAYER.

SECTION 2. AND BE IT FURTHER ENACTED, That, notwithstanding any other provision of law, the following amounts shall be transferred from the Strategic Energy Investment Fund established under § 9–20B–05 of the State Government Article to the General Fund to offset a reduction in revenues from the tax credit for electric vehicle recharging equipment established under Section 1 of this Act:

(1) for fiscal year 2013, the lesser of \$400,000 or the total amount of credit certificates issued in tax year 2011;

(2) for fiscal year 2014, the lesser of \$500,000 or the total amount of credit certificates issued in tax year 2012; and

(3) for fiscal year 2015, the lesser of \$600,000 or the total amount of credit certificates issued in tax year 2013.

SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2011.

Approved by the Governor, May 19, 2011.