

Chapter 566

(Senate Bill 959)

AN ACT concerning

Bio-Heating Oil – Income Tax Credit

FOR the purpose of altering the definition of bio-heating oil for purposes of a certain State income tax credit for the purchase of bio-heating oil for certain purposes; extending a certain termination provision and altering certain dates of applicability for a certain State income tax credit for the purchase of certain heating oil for certain uses; and generally relating to a State income tax credit for the purchase of certain heating oil.

BY repealing and reenacting, with amendments,
Article – Tax – General
Section 10-727
Annotated Code of Maryland
(2010 Replacement Volume)

BY repealing and reenacting, with amendments,
Chapter 140 of the Acts of the General Assembly of 2008
Section 3

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

Article – Tax – General

10-727.

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

(2) “Administration” means the Maryland Energy Administration.

(3) “Bio-heating oil” means A heating oil ~~with~~ with a blend of at least 5% biodiesel~~;~~:

(I) DERIVED FROM THE U.S. ENVIRONMENTAL PROTECTION AGENCY-APPROVED FEEDSTOCKS; OR

(II) ACCEPTED UNDER 42 U.S.C. 7545(O) AS PER THE U.S. EPA RENEWABLE FUEL STANDARD 2 (RFS2) AND THE ACCOMPANYING REGULATIONS UNDER 40 C.F.R. PART 80 FOR DIESEL FUEL REPLACEMENT.

(b) 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 3 cents for each gallon of bio-heating oil purchased for space or water heating.

(c) (1) For any taxable year, the credit allowed under this section may not exceed the lesser of:

(i) \$500; 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 Maryland Energy Administration shall issue an initial credit certificate for the number of gallons of bio-heating oil purchased by the taxpayer for space or water heating.

(2) The initial credit certificate issued under this subsection shall state the maximum amount of credit that may be claimed by the taxpayer.

(3) On January 1, 2009, and each year thereafter, 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.

(4) The Maryland Energy Administration shall adopt regulations to administer the initial credit certificate required under this subsection.

Chapter 140 of the Acts of 2008

SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2008, and shall be applicable to all taxable years beginning after December 31, 2007, but before January 1, [2013] **2018**. It shall remain effective for a period of [5] **10** years and, at the end of June 30, [2013] **2018**, with no further action required by the General Assembly, this Act shall be abrogated and of no further force and effect.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect June 1, 2011.

Approved by the Governor, May 19, 2011.