

# HOUSE BILL 1345

Q5, Q3, R4

(4lr2484)

## ENROLLED BILL

— *Environmental Matters/Budget and Taxation and Finance* —

Introduced by **Delegate McHale (By Request – Maryland Electric Vehicle Infrastructure Council)** and **Delegates Malone, Clippinger, and Hammen**

Read and Examined by Proofreaders:

\_\_\_\_\_  
Proofreader.

\_\_\_\_\_  
Proofreader.

Sealed with the Great Seal and presented to the Governor, for his approval this \_\_\_\_\_ day of \_\_\_\_\_ at \_\_\_\_\_ o'clock, \_\_\_\_\_ M.

\_\_\_\_\_  
Speaker.

### CHAPTER \_\_\_\_\_

1 AN ACT concerning

#### 2 **Electric Vehicles and Recharging Equipment – Rebates and Tax Credits**

3 FOR the purpose of repealing the credit against the State income tax for the cost of  
4 certain qualified electric vehicle recharging equipment; establishing, for certain  
5 ~~calendar~~ fiscal years, the Electric Vehicle Recharging Equipment Rebate  
6 Program to provide certain rebates to certain individuals and ~~business~~  
7 for the costs of acquiring and installing certain equipment; requiring the  
8 Maryland Energy Administration to administer the Program; providing for the  
9 amount of a rebate and a limit on the total amount of rebates that may be  
10 issued; limiting the number of rebates that an individual may claim;  
11 authorizing the Administration to adopt certain regulations; authorizing the  
12 Administration to use the Maryland Strategic Energy Investment Fund to pay  
13 for certain rebates; extending the credit against the motor vehicle excise tax for

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#### 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.

*Italics* indicate opposite chamber/conference committee amendments.



1 certain qualified plug-in electric drive vehicles for a certain period of time;  
2 altering the type of vehicle the credit applies to; altering the calculation of the  
3 credit; providing that the credit may not exceed a certain amount; altering a  
4 requirement to transfer certain amounts from the Fund during certain fiscal  
5 years; transferring certain money from the Fund to the Transportation Trust  
6 Fund in certain fiscal years; requiring the Maryland Energy Administration and  
7 the Maryland Department of Transportation to report to certain committees of  
8 the General Assembly on or before a certain date; defining certain terms; and  
9 generally relating to tax incentives for the purchase of electric vehicles and  
10 certain rebates for the purchase and installation of electric vehicle recharging  
11 equipment.

12 BY repealing

13 Article – Tax – General  
14 Section 10–729  
15 Annotated Code of Maryland  
16 (2010 Replacement Volume and 2013 Supplement)

17 BY repealing and reenacting, without amendments,

18 Article – State Government  
19 Section 9–2001(a) and (b) and 9–20B–05(a)  
20 Annotated Code of Maryland  
21 (2009 Replacement Volume and 2013 Supplement)

22 BY adding to

23 Article – State Government  
24 Section 9–2009 and 9–20B–05(f)(7)  
25 Annotated Code of Maryland  
26 (2009 Replacement Volume and 2013 Supplement)

27 BY repealing and reenacting, with amendments,

28 Article – State Government  
29 Section 9–20B–05(f)(6) and (7)  
30 Annotated Code of Maryland  
31 (2009 Replacement Volume and 2013 Supplement)

32 BY repealing and reenacting, with amendments,

33 Article – Transportation  
34 Section 13–815  
35 Annotated Code of Maryland  
36 (2012 Replacement Volume and 2013 Supplement)

37 BY repealing and reenacting, with amendments,

38 Chapter 389 of the Acts of the General Assembly of 2013  
39 Section 2

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

3 **Article – Tax – General**

4 [10–729.

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

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

7 (3) “Qualified electric vehicle recharging equipment” means property  
8 used for the recharging of motor vehicles propelled by electricity that meets the  
9 definition of “qualified alternative fuel vehicle refueling property” in § 30C of the  
10 Internal Revenue Code.

11 (b) For tax years 2011 through 2016 only, an individual or corporation that  
12 receives an initial credit certificate under subsection (d) of this section from the  
13 Administration may claim a credit against the State income tax for a taxable year in  
14 an amount equal to 20% of the cost of any qualified electric vehicle recharging  
15 equipment placed in service by the taxpayer during the taxable year.

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

18 (i) \$400 for each individual recharging system; or

19 (ii) the State income tax for that taxable year.

20 (2) The unused amount of the credit for any taxable year may not be  
21 carried over to any other taxable year.

22 (d) (1) On application by a taxpayer, the Administration shall issue an  
23 initial credit certificate in an amount equal to 20% of the estimated cost of the  
24 qualified electric vehicle recharging equipment to be placed in service in the State by  
25 the taxpayer during the taxable year.

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

28 (3) The credit allowed under this section is limited to the acquisition  
29 of:

30 (i) 1 recharging system per individual; and

31 (ii) 30 recharging systems per business entity.

1           (4)    The Administration may issue total credit certificates not to exceed  
2 the following amounts:

3                   (i)     for tax year 2011, \$400,000;

4                   (ii)    for tax year 2012, \$500,000; and

5                   (iii)   for tax years 2013 through 2016, inclusive, \$600,000 each  
6 tax year.

7           (5)    On January 1, 2012, and each year the credit is authorized, the  
8 Administration shall provide to the Comptroller a list of all taxpayers in the prior tax  
9 year that have been issued an initial credit certificate and shall specify for each  
10 taxpayer the maximum amount of credit allowed.

11           (6)    (i)     The Administration may adopt regulations to administer the  
12 initial credit certificate required under this subsection.

13                   (ii)    The regulations adopted by the Administration may include  
14 a further limit on the maximum amount of credit that may be claimed by the  
15 taxpayer.]

## 16                                   Article – State Government

17   9–2001.

18           (a)    In this subtitle the following words have the meanings indicated.

19           (b)    “Administration” means the Maryland Energy Administration.

20   9–2009.

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

23                   (2)    **“ELECTRIC VEHICLE RECHARGING EQUIPMENT REBATE”**  
24 **MEANS A REBATE ISSUED BY THE ADMINISTRATION UNDER THIS SECTION FOR**  
25 **THE COST OF QUALIFIED ELECTRIC VEHICLE RECHARGING EQUIPMENT.**

26                   (3)    **“QUALIFIED ELECTRIC VEHICLE RECHARGING EQUIPMENT”**  
27 **MEANS PROPERTY IN THE STATE THAT IS USED FOR RECHARGING MOTOR**  
28 **VEHICLES PROPELLED BY ELECTRICITY.**

29                   (4)    **“RETAIL SERVICE STATION DEALER” HAS THE MEANING**  
30 **STATED IN § 10–101 OF THE BUSINESS REGULATION ARTICLE.**

1           **(B) (1) THERE IS AN ELECTRIC VEHICLE RECHARGING EQUIPMENT**  
2 **REBATE PROGRAM.**

3           **(2) THE ADMINISTRATION SHALL ADMINISTER THE PROGRAM.**

4           **(C) (1) FOR ~~CALENDAR YEARS 2014~~ FISCAL YEARS 2015 THROUGH**  
5 **2017, SUBJECT TO THE PROVISIONS OF THIS SECTION, AN ~~INDIVIDUAL OR~~**  
6 **INDIVIDUAL, A BUSINESS ENTITY, OR A UNIT OF STATE OR LOCAL GOVERNMENT**  
7 **MAY APPLY TO THE ADMINISTRATION FOR AN ELECTRIC VEHICLE RECHARGING**  
8 **EQUIPMENT REBATE FOR THE COSTS OF ACQUIRING AND INSTALLING**  
9 **QUALIFIED ELECTRIC VEHICLE RECHARGING EQUIPMENT.**

10           **(2) FOR EACH ~~CALENDAR~~ FISCAL YEAR, THE TOTAL AMOUNT OF**  
11 **REBATES ISSUED BY THE ADMINISTRATION MAY NOT EXCEED \$600,000.**

12           **(3) THE ADMINISTRATION MAY ALLOW AN APPLICANT TO**  
13 **INCLUDE REASONABLE INSTALLATION COSTS IN THE COST OF QUALIFIED**  
14 **ELECTRIC VEHICLE RECHARGING EQUIPMENT FOR THE PURPOSE OF**  
15 **CALCULATING THE AMOUNT OF AN ELECTRIC VEHICLE RECHARGING**  
16 **EQUIPMENT REBATE.**

17           **(D) SUBJECT TO SUBSECTION (E) OF THIS SECTION, THE**  
18 **ADMINISTRATION MAY ISSUE AN ELECTRIC VEHICLE RECHARGING EQUIPMENT**  
19 **REBATE TO:**

20           **(1) AN INDIVIDUAL IN AN AMOUNT EQUAL TO THE LESSER OF:**

21                   **(I) 50% OF THE COSTS OF ACQUIRING AND INSTALLING**  
22 **QUALIFIED ELECTRIC VEHICLE RECHARGING EQUIPMENT; OR**

23                   **(II) \$900; ~~OR~~**

24           **(2) EXCEPT AS PROVIDED IN ITEM (3) OF THIS SUBSECTION, A**  
25 **BUSINESS ENTITY OR UNIT OF STATE OR LOCAL GOVERNMENT IN AN AMOUNT**  
26 **EQUAL TO THE LESSER OF:**

27                   **(I) 50% OF THE COSTS OF ACQUIRING AND INSTALLING**  
28 **QUALIFIED ELECTRIC VEHICLE RECHARGING EQUIPMENT; OR**

29                   **(II) \$5,000; OR**

30           **(3) A RETAIL SERVICE STATION DEALER IN AN AMOUNT EQUAL TO**  
31 **THE LESSER OF:**



1 13–815.

2 (a) In this section, “excise tax” means the tax imposed under § 13–809 of this  
3 subtitle.

4 (b) This section applies only to a plug–in electric drive vehicle that:

5 (1) Has not been modified from original manufacturer specifications;

6 (2) Is acquired for use or lease by the taxpayer and not for resale; and

7 (3) Is [titled by the taxpayer] **PURCHASED NEW AND TITLED FOR**  
8 **THE FIRST TIME** on or after ~~October 1, 2010~~ **JULY 1, 2014**, but before July 1, [2014]  
9 **2017**.

10 (c) [(1)] Subject to available funding, a credit is allowed against the excise  
11 tax imposed for a plug–in electric drive vehicle.

12 [(2) Subject to the limitations under subsections (d) through (f) of this  
13 section, the credit allowed under this section equals 100% of the excise tax imposed for  
14 a vehicle.]

15 (d) The credit allowed under this section may not exceed **THE LESSER OF:**

16 [(1) \$600 for a vehicle with a battery capacity of at least 4.0  
17 kilowatt–hours but not more than 10.0 kilowatt–hours;

18 (2) \$700 for a vehicle with a battery capacity of at least 10.1  
19 kilowatt–hours but not more than 15.0 kilowatt–hours; and

20 (3) \$1,000 for a vehicle with a battery capacity of at least 15.0  
21 kilowatt–hours.]

22 **(1) THE PRODUCT OF \$125 TIMES THE NUMBER OF**  
23 **KILOWATT–HOURS OF BATTERY CAPACITY OF THE VEHICLE; OR**

24 **(2) \$3,000.**

25 (e) The credit allowed under this section is limited to the acquisition of:

26 (1) One vehicle per individual; and

27 (2) 10 vehicles per business entity.

28 (f) A credit may not be claimed under this section:

1 (1) For a vehicle unless the vehicle is registered in the State; OR

2 (2) Unless the manufacturer has already conformed to any applicable  
3 State or federal laws or regulations governing clean-fuel vehicle or electric vehicle  
4 purchases applicable during the calendar year in which the vehicle is titled; ~~OR~~

5 ~~(3) For a vehicle that was initially registered in another state.~~

6 (g) The Motor Vehicle Administration shall administer the credit under this  
7 section.

### 8 Chapter 389 of the Acts of 2013

9 SECTION 2. AND BE IT FURTHER ENACTED, That, notwithstanding any  
10 other provision of law, for fiscal [years 2016, 2017, and 2018, respectively,] **YEAR**  
11 **2016**, the lesser of \$600,000 or the total amount of credit certificates issued in tax  
12 [years 2014, 2015, and 2016, respectively,] **YEAR 2014** shall be transferred from the  
13 Strategic Energy Investment Fund established under § 9-20B-05 of the State  
14 Government Article to the General Fund to offset a reduction in revenues from the tax  
15 credit for electric vehicle recharging equipment established under § 10-729 of the  
16 Tax – General Article as enacted by this Act.

17 SECTION 2. AND BE IT FURTHER ENACTED, That, notwithstanding any  
18 other provision of law, for fiscal years 2015, 2016, and 2017, respectively, the lesser of  
19 \$1,287,000 or the actual total amount of credits allowed against the excise tax shall be  
20 transferred from the Strategic Energy Investment Fund established under § 9-20B-05  
21 of the State Government Article to the Transportation Trust Fund to offset a reduction  
22 in revenues from the vehicle excise tax credit for qualified plug-in electric drive  
23 vehicles under § 13-815 of the Transportation Article, as enacted by this Act. The total  
24 amount of credits allowed against the excise tax may not exceed \$1,800,000 during the  
25 course of any fiscal year.

26 SECTION 3. AND BE IT FURTHER ENACTED, That, on or before January 1,  
27 2015, the Maryland Energy Administration and the Maryland Department of  
28 Transportation shall report to the Senate Budget and Taxation Committee, the House  
29 Appropriations Committee, and the House Committee on Ways and Means, in  
30 accordance with § 2-1246 of the State Government Article, on:

31 (1) the amount of Transportation Trust Fund revenue that is paid by  
32 owners of electric vehicles to the Transportation Trust Fund for the construction and  
33 maintenance of roadways in the State; and

34 (2) a plan for owners of electric vehicles to contribute to the  
35 Transportation Trust Fund for the construction and maintenance of roadways in the  
36 State.

1 SECTION ~~3~~ 4. AND BE IT FURTHER ENACTED, That this Act shall take  
2 effect July 1, 2014.

Approved:

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Governor.

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Speaker of the House of Delegates.

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President of the Senate.