

## Article - Tax - General

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§10-727. IN EFFECT

// EFFECTIVE UNTIL JUNE 30, 2018 PER CHAPTER 566 OF 2011 //

- (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 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.

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