

HOUSE BILL 386

Q3

6lr1447

By: **Delegates Reznik, Fraser-Hidalgo, Barve, Kramer, and Luedtke**

Introduced and read first time: January 28, 2016

Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Income Tax Credit – Energy Storage Systems**

3 FOR the purpose of allowing a credit against the State income tax for certain costs of certain
4 energy storage systems; providing that the credit may not exceed a certain amount;
5 providing that the credit may not be carried forward to another taxable year;
6 requiring a taxpayer claiming the credit to attach certain proof to the taxpayer's
7 return; defining a certain term; providing for the application of this Act; and
8 generally relating to an income tax credit for certain energy storage systems.

9 BY adding to

10 Article – Tax – General

11 Section 10–719

12 Annotated Code of Maryland

13 (2010 Replacement Volume and 2015 Supplement)

14 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,

15 That the Laws of Maryland read as follows:

16 **Article – Tax – General**

17 **10–719.**

18 **(A) IN THIS SECTION, “ENERGY STORAGE SYSTEM” MEANS A SYSTEM USED**
19 **TO STORE ELECTRICAL ENERGY FOR USE AS ELECTRICAL ENERGY AT A LATER TIME**
20 **OR IN A PROCESS THAT OFFSETS ELECTRICITY USE AT PEAK TIMES.**

21 **(B) SUBJECT TO THE LIMITATIONS OF THIS SECTION, A TAXPAYER MAY**
22 **CLAIM A CREDIT AGAINST THE STATE INCOME TAX FOR THE TOTAL INSTALLED**
23 **COSTS OF AN ENERGY STORAGE SYSTEM, PAID OR INCURRED DURING THE TAXABLE**
24 **YEAR.**

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 **(C) THE CREDIT ALLOWED UNDER THIS SECTION MAY NOT EXCEED THE**
2 **LESSER OF:**

3 **(1) (I) FOR AN ENERGY STORAGE SYSTEM INSTALLED ON A**
4 **RESIDENTIAL PROPERTY, \$5,000; OR**

5 **(II) FOR AN ENERGY STORAGE SYSTEM INSTALLED ON A**
6 **COMMERCIAL PROPERTY, \$150,000; OR**

7 **(2) 30% OF THE TOTAL INSTALLED COSTS OF THE ENERGY STORAGE**
8 **SYSTEM.**

9 **(D) (1) THE TOTAL AMOUNT OF THE CREDIT ALLOWED UNDER THIS**
10 **SECTION FOR ANY TAXABLE YEAR MAY NOT EXCEED THE STATE INCOME TAX FOR**
11 **THAT TAXABLE YEAR, CALCULATED BEFORE THE APPLICATION OF THE CREDITS**
12 **UNDER THIS SECTION AND §§ 10-701 AND 10-701.1 OF THIS SUBTITLE, BUT AFTER**
13 **THE APPLICATION OF OTHER CREDITS ALLOWABLE UNDER THIS SUBTITLE.**

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

16 **(E) THE CREDIT UNDER THIS SECTION MAY NOT BE CLAIMED FOR AN**
17 **ENERGY STORAGE SYSTEM INSTALLED BEFORE JANUARY 1, 2016, OR AFTER**
18 **DECEMBER 31, 2020.**

19 **(F) A TAXPAYER CLAIMING THE CREDIT ALLOWED UNDER THIS SECTION**
20 **SHALL ATTACH TO THE TAXPAYER'S RETURN, FOR EACH ENERGY STORAGE SYSTEM**
21 **FOR WHICH THE CREDIT IS CLAIMED, PROOF OF THE TOTAL INSTALLED COSTS OF**
22 **THE ENERGY STORAGE SYSTEM.**

23 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
24 1, 2016, and shall be applicable to all taxable years beginning after December 31, 2015.