

# HOUSE BILL 1246

Q5, R4

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By: **Delegates Fraser–Hidalgo, Barve, Charkoudian, Clippinger, Hill, Korman, Lierman, Shetty, and Wilkins**

Introduced and read first time: February 8, 2019

Assigned to: Environment and Transportation

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## A BILL ENTITLED

1 AN ACT concerning

2 **Plug–In Electric Drive Vehicle Excise Tax Credit**

3 FOR the purpose of making the vehicle excise tax credit for the purchase of certain  
4 plug–in electric drive vehicles permanent; authorizing certain individuals or  
5 business entities that do not receive a tax credit in a certain fiscal year to claim the  
6 credit during the next fiscal year; authorizing the tax credit, up to a certain amount,  
7 for the purchase of certain used vehicles; requiring the Maryland Energy  
8 Administration to use the Maryland Strategic Energy Investment Fund to reimburse  
9 the Transportation Trust Fund for certain reductions in revenues; requiring the  
10 Comptroller, each fiscal year, to transfer a certain amount from the Maryland  
11 Strategic Energy Investment Fund to the Transportation Trust Fund; codifying a  
12 certain limit on the total amount of credits allowed; repealing obsolete provisions;  
13 and generally relating to a vehicle excise tax credit for plug–in electric drive vehicles.

14 BY repealing and reenacting, without amendments,  
15 Article – State Government  
16 Section 9–20B–05(a)  
17 Annotated Code of Maryland  
18 (2014 Replacement Volume and 2018 Supplement)

19 BY repealing and reenacting, with amendments,  
20 Article – State Government  
21 Section 9–20B–05(f)(8) and (9)  
22 Annotated Code of Maryland  
23 (2014 Replacement Volume and 2018 Supplement)

24 BY adding to  
25 Article – State Government  
26 Section 9–20B–05(f)(9)  
27 Annotated Code of Maryland

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (2014 Replacement Volume and 2018 Supplement)

2 BY repealing and reenacting, with amendments,  
 3 Article – Transportation  
 4 Section 13–815  
 5 Annotated Code of Maryland  
 6 (2012 Replacement Volume and 2018 Supplement)

7 BY repealing  
 8 Chapter 359 of the Acts of the General Assembly of 2014, as amended by Chapters  
 9 362 and 363 of the Acts of the General Assembly of 2017  
 10 Section 2

11 BY repealing  
 12 Chapter 360 of the Acts of the General Assembly of 2014, as amended by Chapters  
 13 362 and 363 of the Acts of the General Assembly of 2017  
 14 Section 2

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

17 **Article – State Government**

18 9–20B–05.

19 (a) There is a Maryland Strategic Energy Investment Fund.

20 (f) The Administration shall use the Fund:

21 (8) to provide grants to encourage combined heat and power projects at  
 22 industrial facilities; [and]

23 **(9) IN ACCORDANCE WITH § 13–815 OF THE TRANSPORTATION**  
 24 **ARTICLE, TO REIMBURSE THE TRANSPORTATION TRUST FUND ESTABLISHED**  
 25 **UNDER § 3–216 OF THE TRANSPORTATION ARTICLE FOR PART OF THE REDUCTION**  
 26 **IN REVENUES THAT RESULTS FROM THE VEHICLE EXCISE TAX CREDIT FOR**  
 27 **QUALIFIED PLUG–IN ELECTRIC DRIVE VEHICLES; AND**

28 **[(9)] (10)** to pay the expenses of the Program.

29 **Article – Transportation**

30 13–815.

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

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

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

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

4 (3) Has a total purchase price not exceeding \$60,000;

5 (4) Has a battery capacity of at least 5.0 kilowatt-hours; and

6 (5) Is purchased [new and titled for the first time] on or after July 1, 2017[,  
7 but before July 1, 2020].

8 (c) (1) Subject to [available funding] **PARAGRAPH (2) OF THIS SUBSECTION**,  
9 a credit is allowed against the excise tax imposed for a plug-in electric drive vehicle.

10 (2) **FOR EACH FISCAL YEAR, THE TOTAL AMOUNT OF CREDITS**  
11 **ALLOWED AGAINST THE EXCISE TAX MAY NOT EXCEED \$8,000,000.**

12 (3) **IF A CREDIT IS NOT ALLOWED AS A RESULT OF THE LIMITATION**  
13 **UNDER THIS SUBSECTION, THE INDIVIDUAL OR BUSINESS ENTITY MAY CLAIM THE**  
14 **CREDIT DURING THE NEXT FISCAL YEAR.**

15 (d) The credit allowed under this section may not exceed the lesser of:

16 (1) The product of \$100 times the number of kilowatt-hours of battery  
17 capacity of the vehicle; or

18 (2) (I) **FOR A VEHICLE PURCHASED NEW AND TITLED FOR THE**  
19 **FIRST TIME, \$3,000; OR**

20 (II) **\$1,500.**

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

22 (1) One vehicle per individual; and

23 (2) 10 vehicles per business entity.

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

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

26 (2) Unless the manufacturer has already conformed to any applicable State  
27 or federal laws or regulations governing clean-fuel vehicle or electric vehicle purchases

1 applicable during the calendar year in which the vehicle is titled.

2 (g) FOR EACH FISCAL YEAR, THE COMPTROLLER SHALL TRANSFER THE  
3 LESSER OF \$8,000,000 OR THE ACTUAL TOTAL AMOUNT OF CREDITS ALLOWED  
4 AGAINST THE EXCISE TAX UNDER THIS SECTION FROM THE MARYLAND STRATEGIC  
5 ENERGY INVESTMENT FUND ESTABLISHED UNDER § 9-20B-05 OF THE STATE  
6 GOVERNMENT ARTICLE TO THE TRANSPORTATION TRUST FUND ESTABLISHED  
7 UNDER § 3-216 OF THIS ARTICLE.

8 (H) The Motor Vehicle Administration shall administer the credit under this  
9 section.

10 **Chapter 359 of the Acts of 2014, as amended by Chapters 362 and 363 of the Acts**  
11 **of 2017**

12 [SECTION 2. AND BE IT FURTHER ENACTED, That, notwithstanding any other  
13 provision of law, for fiscal years 2018, 2019, and 2020, respectively, the lesser of \$2,400,000  
14 or the actual total amount of credits allowed against the excise tax shall be transferred  
15 from the Strategic Energy Investment Fund established under § 9-20B-05 of the State  
16 Government Article to the Transportation Trust Fund to offset a reduction in revenues from  
17 the vehicle excise tax credit for qualified plug-in electric drive vehicles under § 13-815 of  
18 the Transportation Article, as enacted by this Act. The total amount of credits allowed  
19 against the excise tax may not exceed \$3,000,000 during the course of any fiscal year.]

20 **Chapter 360 of the Acts of 2014, as amended by Chapters 362 and 363 of the Acts**  
21 **of 2017**

22 [SECTION 2. AND BE IT FURTHER ENACTED, That, notwithstanding any other  
23 provision of law, for fiscal years 2018, 2019, and 2020, respectively, the lesser of \$2,400,000  
24 or the actual total amount of credits allowed against the excise tax shall be transferred  
25 from the Strategic Energy Investment Fund established under § 9-20B-05 of the State  
26 Government Article to the Transportation Trust Fund to offset a reduction in revenues from  
27 the vehicle excise tax credit for qualified plug-in electric drive vehicles under § 13-815 of  
28 the Transportation Article, as enacted by this Act. The total amount of credits allowed  
29 against the excise tax may not exceed \$3,000,000 during the course of any fiscal year.]

30 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July  
31 1, 2019.