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Walkup**

Introduced and read first time: January 23, 1998
Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Vehicle Emissions Inspection Program - State Income Tax Credit for**
3 **Emissions Related Repairs**

4 FOR the purpose of allowing a credit against the Maryland State income tax for
5 certain expenses incurred for emissions related repairs for a vehicle that has
6 failed the exhaust emissions test under the motor vehicle emissions control
7 program; and generally relating to a credit against the Maryland State income
8 tax for certain expenses incurred for emissions related repairs.

9 BY adding to
10 Article - Tax - General
11 Section 10-709
12 Annotated Code of Maryland
13 (1997 Replacement Volume)

14 BY repealing and reenacting, without amendments,
15 Article - Transportation
16 Section 23-201(e) and 23-202(c)(1)
17 Annotated Code of Maryland
18 (1992 Replacement Volume and 1997 Supplement)

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

21 **Article - Tax - General**

22 10-709.

23 (A) IN THIS SECTION, "EMISSIONS RELATED REPAIR" HAS THE MEANING
24 STATED IN § 23-201 OF THE TRANSPORTATION ARTICLE.

1 (B) AN INDIVIDUAL OR A CORPORATION MAY CLAIM A CREDIT AGAINST THE
2 STATE INCOME TAX IN AN AMOUNT EQUAL TO THE LESSER OF:

3 (1) 100% OF THE EXPENSES INCURRED BY THE INDIVIDUAL OR
4 CORPORATION FOR EMISSIONS RELATED REPAIRS FOR A VEHICLE THAT HAS FAILED
5 THE EXHAUST EMISSIONS TEST UNDER THE MOTOR VEHICLE EMISSIONS CONTROL
6 PROGRAM ESTABLISHED UNDER TITLE 23, SUBTITLE 2 OF THE TRANSPORTATION
7 ARTICLE; OR

8 (2) THE MINIMUM EXPENDITURE FOR EMISSIONS RELATED REPAIRS
9 REQUIRED UNDER § 23-202(C) OF THE TRANSPORTATION ARTICLE FOR A WAIVER OF A
10 VEHICLE THAT HAS FAILED TO PASS THE EXHAUST EMISSIONS TEST.

11 **Article - Transportation**

12 23-201.

13 (e) (1) "Emissions related repair" means the inspection, adjustment, repair,
14 or replacement of motor vehicle engine systems, subsystems, or components as
15 necessary to bring a motor vehicle into compliance with emissions standards adopted
16 in accordance with the provisions of this subtitle.

17 (2) "Emissions related repair" does not include adjustment, repair, or
18 replacement necessitated by tampering or misfueling.

19 23-202.

20 (c) By rules and regulations, the Administration and the Secretary:

21 (1) Shall grant a waiver to a vehicle owner if:

22 (i) The vehicle fails to pass the exhaust emissions test;

23 (ii) The vehicle owner exhibits evidence acceptable to the
24 Administration that the owner, for an initial exhaust emissions test occurring:

25 1. In calendar years 1995 through 1997 has actually incurred
26 an expenditure of \$150 towards emissions related repairs to the vehicle within 60
27 days after the exhaust emissions test; and

28 2. On or after January 1, 1998, has actually incurred the
29 minimum expenditure required by federal law towards emissions related repairs to
30 the vehicle within 120 days after the exhaust emissions test;

31 (iii) The vehicle fails a retest, except that if the vehicle owner has
32 exhibited evidence acceptable to the Administration that the vehicle owner actually
33 incurred the minimum expenditure as required under item (1)(ii) of this subsection
34 for the emissions related repair to the vehicle within 30 days before the initial
35 exhaust emissions test or the period allowed under federal law, whichever is longer, a
36 retest is not required; and

1 (iv) The vehicle owner exhibits evidence that the emissions related
2 repairs qualifying for a waiver under items (1)(ii) and (iii) of this subsection were
3 performed by a repair technician and at a repair facility both certified under item (4)
4 of this subsection;

5 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
6 July 1, 1998 and shall be applicable to all taxable years beginning after December 31,
7 1997.