

HOUSE BILL 528

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Q3
SB 492/98 - B&T

1999 Regular Session
9r1970
CF 9r1227

By: **Delegates Hixson, Hubbard, Franchot, and Shriver**
Introduced and read first time: February 11, 1999
Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Vehicle Emissions Testing Equipment - State Income Tax Credit**

3 FOR the purpose of allowing a credit against the State income tax for certain costs of
4 certain equipment used in vehicle emissions testing; allowing unused tax credits
5 to be carried forward to certain taxable years; providing for the retroactive
6 application of this Act; requiring the Department of the Environment to prepare
7 and publish a certain list; and generally relating to a credit against the State
8 income tax for certain costs of certain equipment used in vehicle emissions
9 testing.

10 BY adding to

11 Article - Tax - General
12 Section 10-712
13 Annotated Code of Maryland
14 (1997 Replacement Volume and 1998 Supplement)

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

17 **Article - Tax - General**

18 10-712.

19 (A) EXCEPT AS OTHERWISE PROVIDED IN THIS SECTION, AN INDIVIDUAL OR A
20 CORPORATION MAY CLAIM A CREDIT AGAINST THE STATE INCOME TAX FOR A
21 TAXABLE YEAR IN AN AMOUNT EQUAL TO 20% OF THE COST OF EQUIPMENT THAT:

22 (1) THE INDIVIDUAL OR CORPORATION PLACES IN SERVICE DURING THE
23 TAXABLE YEAR BY PURCHASE OR LEASE; AND

24 (2) IS TO BE USED BY THE INDIVIDUAL OR CORPORATION IN
25 CONNECTION WITH TRANSIENT MASS-EMISSION REPAIR OR TESTING.

26 (B) IF THE CREDIT ALLOWED UNDER THIS SECTION IN ANY TAXABLE YEAR
27 EXCEEDS THE STATE INCOME TAX FOR THAT TAXABLE YEAR, THE INDIVIDUAL OR

1 CORPORATION MAY APPLY THE EXCESS AS A CREDIT AGAINST THE STATE INCOME
2 TAX FOR SUCCEEDING TAXABLE YEARS UNTIL THE EARLIER OF:

3 (1) THE FULL AMOUNT OF THE EXCESS BEING USED; OR

4 (2) THE EXPIRATION OF THE 5TH TAXABLE YEAR FOLLOWING THE
5 TAXABLE YEAR IN WHICH THE PROPERTY WAS PLACED IN SERVICE.

6 (C) EXCEPT AS OTHERWISE PROVIDED IN THIS TITLE, FOR PURPOSES OF
7 DETERMINING MARYLAND TAXABLE INCOME, THE BASIS OF PROPERTY WITH
8 RESPECT TO WHICH THE CREDIT UNDER THIS SECTION IS ALLOWED SHALL BE ITS
9 BASIS FOR FEDERAL INCOME TAX PURPOSES.

10 SECTION 2. AND BE IT FURTHER ENACTED, That on or before December
11 31, 1999, the Department of the Environment shall prepare and publish a list of
12 equipment that complies with the requirements for the tax credit created in Section 1
13 of this Act.

14 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take
15 effect July 1, 1999 and shall be applicable to all taxable years beginning after
16 December 31, 1997; provided, however, that the credit under § 10-709 of the Tax -
17 General Article shall be allowed only with respect to property placed in service after
18 December 31, 1997.