
By: **Delegates O'Donnell, Kach, La Vay, Klima, Redmer, McKee, Rzepkowski,
Greenip, J. Kelly, DeCarlo, Ports, Stocksdale, and Valderrama**

Introduced and read first time: February 12, 1999

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; providing for the applicability of this Act; and generally relating to a
8 credit against the Maryland State income tax for certain expenses incurred for
9 emissions related repairs.

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 BY repealing and reenacting, without amendments,
16 Article - Transportation
17 Section 23-201(e) and 23-202(c)(1)
18 Annotated Code of Maryland
19 (1998 Replacement Volume and 1998 Supplement)

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

22 **Article - Tax - General**

23 10-712.

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

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

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

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

9 **Article - Transportation**

10 23-201.

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

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

17 23-202.

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

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

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

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

23 1. In calendar years 1998 through 1999 has actually incurred
24 an expenditure of \$150 towards emissions related repairs to the vehicle within 60
25 days after the initial exhaust emissions test; and

26 2. On or after January 1, 2000, has actually incurred the
27 minimum expenditure required by federal law towards emissions related repairs to
28 the vehicle within 120 days after the exhaust emissions test;

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

35 (iv) The vehicle owner exhibits evidence that the emissions related
36 repairs qualifying for a waiver under items (1)(ii) and (iii) of this subsection were

1 performed by a repair technician and at a repair facility both certified under item (4)
2 of this subsection;

3 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
4 July 1, 1999 and shall be applicable to all taxable years beginning after December 31,
5 1998.