

BY: Committee on Ways and Means

AMENDMENTS TO HOUSE BILL NO. 20

(First Reading File Bill)

AMENDMENT NO. 1

On page 1, in the sponsor line, strike “and Wood” and substitute “Wood, W. Baker, Barkley, Barve, Bobo, Bohanan, Bozman, Bronrott, Brown, Cadden, Cane, Carlson, Clagett, Conway, D’Amato, DeCarlo, Donoghue, Doory, Dypski, Finifter, Franchot, Frush, Giannetti, Goldwater, Griffith, Hammen, Healey, Hecht, Heller, Hubers, James, V. Jones, Klausmeier, Krysiak, Love, Malone, Mandel, Marriott, McHale, Mitchell, Moe, Patterson, Pendergrass, Petzold, Pitkin, Proctor, Rosso, Sophocleus, Stern, Turner, Valderrama, Weir, Zirkin, Bartlett, Conroy, Cryor, McKee, Phillips, Rudolph, and Shriver”; in line 2, after “Maryland” insert “Clean”; in the same line, strike “Efficient Technology Tax” and substitute “Incentive”; in line 3, after the first “of” insert “providing an exemption from the sales and use tax for certain appliances that meet or exceed certain applicable energy efficiency guidelines; allowing a credit against the motor vehicle excise tax for certain qualified electric vehicles and certain vehicles having an onboard rechargeable energy storage system; providing for the distribution of certain sales and use tax revenue to the Transportation Trust Fund of the State;”; in the same line, after “income” insert “tax”; strike beginning with “energy” in line 4 down through the first “credit” in line 5 and substitute “equipment that uses solar energy to generate electricity or to heat or cool a structure or provide hot water for use in a structure”; strike beginning with “calculation” in line 6 down through “for” in line 7; in line 8, after “the” insert “Motor Vehicle Administration and”; in the same line, after “Administration” insert “jointly”; in line 9, after “regulations;” insert “requiring the Maryland Energy Administration, in consultation with certain persons, to develop certain voluntary labeling and public information materials;”; strike beginning with “and” in line 9 down through “termination” in line 10; in line 10, strike “income”; in line 11, strike “credits” and substitute “incentives”; and in the same line, strike “the cost of”.

AMENDMENT NO. 2

On page 1, after line 12, insert:

“BY repealing and reenacting, with amendments,

(Over)

Article - Tax - General
Section 2-1302.1
Annotated Code of Maryland
(1997 Replacement Volume and 1999 Supplement)

BY repealing and reenacting, with amendments,

Article - Transportation
Section 3-215(b)(4) and 8-402(b)(5)
Annotated Code of Maryland
(1993 Replacement Volume and 1999 Supplement)

BY adding to

Article - Transportation
Section 13-815
Annotated Code of Maryland
(1999 Replacement Volume and 1999 Supplement)";

in line 15, strike "and" and substitute a comma; and in the same line, after "10-719" insert ", and 11-226".

AMENDMENT NO. 3

On page 1, strike line 21 in its entirety and substitute:

"2-1302.1.

(A) After making the distributions required under §§ 2-1301 and 2-1302 of this subtitle, the Comptroller monthly shall distribute 45% of the sales and use tax collected on short-term vehicle rentals under § 11-104(c) of this article to the Transportation Trust Fund established under § 3-216 of the Transportation Article.

(B) ON RECEIPT OF THE MOTOR VEHICLE ADMINISTRATION'S CERTIFICATION UNDER § 13-815(F) OF THE TRANSPORTATION ARTICLE, FROM THE REMAINING SALES AND USE TAX REVENUE THE COMPTROLLER SHALL DISTRIBUTE TO THE TRANSPORTATION TRUST FUND AN AMOUNT EQUAL TO THE TOTAL AMOUNT OF CREDITS ALLOWED AGAINST THE MOTOR VEHICLE EXCISE TAX UNDER § 13-815 OF THE TRANSPORTATION ARTICLE FOR THE PRECEDING FISCAL YEAR.

11-226.

THE SALES AND USE TAX DOES NOT APPLY TO THE SALE OF THE FOLLOWING ELECTRIC APPLIANCES THAT MEET OR EXCEED THE APPLICABLE ENERGY STAR EFFICIENCY REQUIREMENTS DEVELOPED BY THE UNITED STATES ENVIRONMENTAL PROTECTION AGENCY AND THE UNITED STATES DEPARTMENT OF ENERGY:

(1) A CLOTHES WASHER PURCHASED ON OR AFTER JULY 1, 2000, BUT BEFORE JULY 1, 2003;

(2) A ROOM AIR CONDITIONER PURCHASED ON OR AFTER JANUARY 1, 2001, BUT BEFORE JULY 1, 2004; OR

(3) A STANDARD SIZE REFRIGERATOR PURCHASED ON OR AFTER JULY 1, 2001, BUT BEFORE JULY 1, 2004.

Article - Transportation

3-215.

(b) The tax levied and imposed by this section consists of that part of the following taxes that are retained to the credit of the Department after distributions to the political subdivisions:

(4) The sales and use tax revenues [on short-term rental vehicles] distributed under § 2-1302.1 of the Tax - General Article.

8-402.

(b) All revenues collected from the following, after deductions provided by law, shall be credited to the Gasoline and Motor Vehicle Revenue Account:

(5) 80 percent of the funds distributed under § 2-1302.1 of the Tax - General Article to the Transportation Trust Fund from the sales and use tax [collected on short-term vehicle

(Over)

rentals under § 11-104 of the Tax - General Article].

13-815.”.

AMENDMENT NO. 4

On page 2, strike in their entirety lines 6 through 9, inclusive, and substitute:

“(3) “EXCISE TAX” MEANS THE TAX IMPOSED UNDER § 13-809 OF THIS SUBTITLE.”;

strike in their entirety lines 14 through 18, inclusive; in line 19, strike “(6)” and substitute “(5)”; strike in their entirety lines 21 through 24, inclusive; in line 25, strike “(8)” and substitute “(6)”; in the same line, after “THAT” insert “;

(I)”;

in line 26, strike “AND THAT” and substitute “;

(II) MEETS THE CURRENT VEHICLE EXHAUST STANDARD SET UNDER THE NATIONAL LOW-EMISSION VEHICLE PROGRAM FOR GASOLINE-POWERED PASSENGER CARS; AND

(III)”;

in lines 29 and 30, strike “(I)” and “(II)”, respectively, and substitute “1.” and “2.”, respectively.

On pages 2 and 3, strike in their entirety the lines beginning with line 31 on page 2 through line 33 on page 3, inclusive, and substitute:

“(B) (1) A CREDIT IS ALLOWED AGAINST THE EXCISE TAX IMPOSED FOR A QUALIFIED ELECTRIC VEHICLE OR A QUALIFIED HYBRID VEHICLE.

(2) SUBJECT TO THE LIMITATIONS UNDER SUBSECTIONS (C) AND (D) OF THIS SECTION, THE CREDIT ALLOWED UNDER THIS SECTION EQUALS 100% OF

THE EXCISE TAX IMPOSED FOR A VEHICLE.

(3) THE CREDIT ALLOWED UNDER THIS SECTION DOES NOT APPLY TO A VEHICLE TITLED ON OR AFTER JULY 1, 2004.

(C) FOR A QUALIFIED ELECTRIC VEHICLE, THE CREDIT ALLOWED UNDER THIS SECTION MAY NOT EXCEED \$2,000.

(D) (1) FOR A QUALIFIED HYBRID VEHICLE THAT HAS A RECHARGEABLE ENERGY STORAGE SYSTEM THAT PROVIDES AT LEAST 5% OF THE VEHICLE'S MAXIMUM AVAILABLE POWER, SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, THE CREDIT ALLOWED UNDER THIS SECTION MAY NOT EXCEED:."

On page 4, in line 8, strike "30%OF" and substitute "30% OF"; in line 9, strike "THE" and substitute "A"; in line 12, after "THE" insert "MAXIMUM"; and after line 26, insert:

"(E) (1) THE MOTOR VEHICLE ADMINISTRATION AND THE MARYLAND ENERGY ADMINISTRATION JOINTLY SHALL ADOPT REGULATIONS TO ADMINISTER THE CREDIT UNDER THIS SECTION.

(2) THE REGULATIONS ADOPTED UNDER THIS SECTION SHALL SPECIFY THE TESTING AND CALCULATION PROCEDURES TO BE USED TO DETERMINE WHETHER A VEHICLE MEETS THE QUALIFICATIONS FOR A CREDIT UNDER THIS SECTION.

(F) ON OR BEFORE OCTOBER 1 OF EACH YEAR, THE MOTOR VEHICLE ADMINISTRATION SHALL CERTIFY TO THE COMPTROLLER THE TOTAL AMOUNT OF CREDITS ALLOWED UNDER THIS SECTION AGAINST THE EXCISE TAX FOR THE PRECEDING FISCAL YEAR."

AMENDMENT NO. 5

On pages 4 through 7, strike in their entirety the lines beginning with line 27 on page 4 through line 17 on page 7, inclusive, and substitute:

(Over)

“SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland read as follows:

Article - Tax - General

10-718.

(A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.

(2) “PHOTOVOLTAIC PROPERTY” MEANS SOLAR ENERGY PROPERTY THAT USES A SOLAR PHOTOVOLTAIC PROCESS TO GENERATE ELECTRICITY AND THAT MEETS APPLICABLE PERFORMANCE AND QUALITY STANDARDS AND CERTIFICATION REQUIREMENTS IN EFFECT AT THE TIME OF ACQUISITION OF THE PROPERTY, AS SPECIFIED BY THE MARYLAND ENERGY ADMINISTRATION.

(3) (I) “SOLAR ENERGY PROPERTY” MEANS EQUIPMENT THAT USES SOLAR ENERGY:

1. TO GENERATE ELECTRICITY;
2. TO HEAT OR COOL A STRUCTURE OR PROVIDE HOT WATER FOR USE IN A STRUCTURE; OR
3. TO PROVIDE SOLAR PROCESS HEAT.

(II) “SOLAR ENERGY PROPERTY” DOES NOT INCLUDE A SWIMMING POOL, HOT TUB, OR ANY OTHER ENERGY STORAGE MEDIUM THAT HAS A FUNCTION OTHER THAN STORAGE.

(4) “SOLAR WATER HEATING PROPERTY” MEANS SOLAR ENERGY PROPERTY THAT:

(I) WHEN INSTALLED IN CONNECTION WITH A STRUCTURE, USES SOLAR ENERGY FOR THE PURPOSE OF PROVIDING HOT WATER FOR USE WITHIN THE STRUCTURE; AND

(II) MEETS APPLICABLE PERFORMANCE AND QUALITY STANDARDS AND CERTIFICATION REQUIREMENTS IN EFFECT AT THE TIME OF ACQUISITION OF THE PROPERTY, AS SPECIFIED BY THE MARYLAND ENERGY ADMINISTRATION.

(B) AN INDIVIDUAL OR A CORPORATION MAY CLAIM A CREDIT AGAINST THE STATE INCOME TAX FOR A TAXABLE YEAR AS PROVIDED IN THIS SECTION FOR THE COSTS OF SOLAR WATER HEATING PROPERTY OR PHOTOVOLTAIC PROPERTY PLACED IN SERVICE DURING THE TAXABLE YEAR.

(C) (1) SUBJECT TO THE LIMITATIONS UNDER PARAGRAPH (2) OF THIS SUBSECTION, THE CREDIT ALLOWED UNDER THIS SECTION INCLUDES 15% OF THE TOTAL INSTALLED COST OF PHOTOVOLTAIC PROPERTY OR SOLAR WATER HEATING PROPERTY.

(2) THE CREDIT ALLOWED UNDER THIS SUBSECTION MAY NOT EXCEED:

(I) \$2,000 FOR EACH SYSTEM FOR PHOTOVOLTAIC PROPERTY;
AND

(II) \$1,000 FOR EACH SYSTEM FOR SOLAR WATER HEATING PROPERTY.”;

in lines 18, 25, and 29, strike “(G)”, “(H)”, and “(I)”, respectively, and substitute “(D)”, “(E)”, and “(F)”, respectively; and in line 30, after “SERVICE” insert “:

(1) BEFORE JULY 1, 2000; OR

(Over)

(2)".

AMENDMENT NO. 6

On page 7, after line 30, insert:

"SECTION 3. AND BE IT FURTHER ENACTED, That the Laws of Maryland read as follows:

Article - Tax - General".

On page 8, in line 7, strike "PRECOMMERCIAL" and substitute "PRE-COMMERCIAL"; strike in their entirety lines 16 through 27, inclusive, and substitute:

"(III) "QUALIFIED ENERGY RESOURCES" INCLUDES METHANE GAS RESULTING FROM THE ANAEROBIC DECOMPOSITION OF ORGANIC MATERIALS IN A LANDFILL OR WASTEWATER TREATMENT PLANT.

(3) (I) EXCEPT AS PROVIDED IN SUBPARAGRAPH (II) OF THIS PARAGRAPH, "QUALIFIED MARYLAND FACILITY" MEANS A FACILITY LOCATED IN THE STATE THAT:

1. PRIMARILY USES QUALIFIED ENERGY RESOURCES TO PRODUCE ELECTRICITY AND IS ORIGINALLY PLACED IN SERVICE ON OR AFTER JANUARY 1, 2001, BUT BEFORE JANUARY 1, 2005; OR

2. PRODUCES ELECTRICITY FROM COAL IF ELECTRICITY IS CONCURRENTLY PRODUCED FROM A QUALIFIED ENERGY RESOURCE THAT IS CO-FIRED AT THE FACILITY AND INITIALLY BEGINS CO-FIRING A QUALIFIED ENERGY RESOURCE BEFORE JANUARY 1, 2005, REGARDLESS OF WHEN THE FACILITY WAS ORIGINALLY PLACED IN SERVICE.

(II) "QUALIFIED MARYLAND FACILITY" DOES NOT INCLUDE A QUALIFIED FACILITY ELIGIBLE FOR THE TAX CREDIT UNDER § 45 OF THE INTERNAL REVENUE CODE:

1. THAT IS ORIGINALLY PLACED IN SERVICE BEFORE JANUARY 1, 2002; OR

2. IF § 45 OF THE INTERNAL REVENUE CODE IS AMENDED TO EXTEND THE APPLICABILITY OF THE CREDIT UNDER THAT SECTION, THAT IS ORIGINALLY PLACED IN SERVICE DURING THE TIME PERIOD SPECIFIED IN § 45 OF THE INTERNAL REVENUE CODE FOR ELIGIBILITY FOR THE CREDIT UNDER THAT SECTION.”;

in line 34, after “ON” insert “;

1.”;

and in the same line, after “SERVICE;” insert “OR

2. IN THE CASE OF A FACILITY THAT PRODUCES ELECTRICITY FROM A QUALIFIED ENERGY RESOURCE THAT IS CO-FIRED WITH COAL, THE LATER OF THE DATE OF THE INITIAL CO-FIRING OR JANUARY 1, 2001;”.

On page 9, in line 1, strike “AN UNRELATED PERSON” and substitute “A PERSON OTHER THAN A RELATED PERSON, WITHIN THE MEANING OF § 45 OF THE INTERNAL REVENUE CODE,”; in line 3, strike “BIOMASS” and substitute “A QUALIFIED ENERGY RESOURCE”; in line 5, strike “0.05” and substitute “0.5”; and in the same line, after “ELECTRICITY” insert “PRODUCED FROM THE QUALIFIED ENERGY RESOURCE”.

AMENDMENT NO. 7

On page 9, strike in their entirety lines 12 through 16, inclusive, and substitute:

“SECTION 4. AND BE IT FURTHER ENACTED, That the Maryland Energy Administration, in consultation with manufacturers, retailers, and public interests groups, shall develop voluntary labeling and public information materials to identify products eligible for the tax incentives provided under this Act.

(Over)

SECTION 5. AND BE IT FURTHER ENACTED, That Section 2 of this Act shall be applicable to all taxable years beginning after December 31, 1999.

SECTION 6. AND BE IT FURTHER ENACTED, That Section 3 of this Act shall be applicable to all taxable years beginning after December 31, 2000.

SECTION 7. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2000."