

(PRE-FILED)

By: **Delegates Taylor, Dewberry, Hurson, Arnick, Busch, Guns, Harrison,
Hixson, Howard, Kopp, Menes, Montague, Owings, Rawlings,
Rosenberg, Vallario, and Wood**

Requested: November 15, 1999

Introduced and read first time: January 12, 2000

Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Maryland Energy Efficient Technology Tax Act**

3 FOR the purpose of allowing a credit against the State income for certain costs of
4 certain energy efficient property; providing for calculation of the amount of the
5 credit; allowing a credit against the State income tax for certain electricity
6 produced from certain qualified resources; providing for calculation of the
7 amount of the credit; providing for the carryover of certain unused credit to
8 certain taxable years; requiring the Maryland Energy Administration to adopt
9 certain regulations; defining certain terms; providing for the application and
10 termination of this Act; and generally relating to certain State income tax
11 credits for the cost of certain energy-efficient property and for certain electricity
12 produced from certain qualified resources.

13 BY adding to
14 Article - Tax - General
15 Section 10-718 and 10-719
16 Annotated Code of Maryland
17 (1997 Replacement Volume and 1999 Supplement)

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

20 **Article - Tax - General**

21 10-718.

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

24 (2) "AUTOMOBILE" MEANS A 4-WHEELED VEHICLE PROPELLED BY FUEL
25 THAT:

1 (I) IS MANUFACTURED PRIMARILY FOR USE ON PUBLIC STREETS,
2 ROADS, AND HIGHWAYS, OTHER THAN FOR USE EXCLUSIVELY ON A RAIL OR RAILS;
3 AND

4 (II) IS RATED AT NOT MORE THAN 8,500 POUNDS UNLOADED GROSS
5 VEHICLE WEIGHT.

6 (3) "ENERGY-EFFICIENT BUILDING PROPERTY" MEANS A FUEL CELL,
7 NATURAL GAS HEAT PUMP, ELECTRIC HEAT PUMP HOT WATER HEATER, ELECTRIC
8 HEAT PUMP, CENTRAL AIR CONDITIONER, OR ADVANCED NATURAL GAS WATER
9 HEATER THAT MEETS THE REQUIREMENTS OF SUBSECTION (F) OF THIS SECTION.

10 (4) "MAXIMUM AVAILABLE POWER" MEANS THE MAXIMUM VALUE OF
11 THE SUM OF THE HEAT ENGINE AND ELECTRIC DRIVE SYSTEM POWER OR OTHER
12 NON-HEAT ENERGY CONVERSION DEVICES AVAILABLE FOR A DRIVER'S COMMAND
13 FOR MAXIMUM ACCELERATION AT VEHICLE SPEEDS UNDER 75 MILES PER HOUR.

14 (5) "PHOTOVOLTAIC PROPERTY" MEANS SOLAR ENERGY PROPERTY
15 THAT USES A SOLAR PHOTOVOLTAIC PROCESS TO GENERATE ELECTRICITY AND
16 THAT MEETS APPLICABLE PERFORMANCE AND QUALITY STANDARDS AND
17 CERTIFICATION REQUIREMENTS IN EFFECT AT THE TIME OF ACQUISITION OF THE
18 PROPERTY, AS SPECIFIED BY THE MARYLAND ENERGY ADMINISTRATION.

19 (6) "QUALIFIED ELECTRIC VEHICLE" HAS THE MEANING STATED IN § 30
20 OF THE INTERNAL REVENUE CODE.

21 (7) "QUALIFIED ENERGY PROPERTY" MEANS:

22 (I) ENERGY-EFFICIENT BUILDING PROPERTY;

23 (II) SOLAR WATER HEATING PROPERTY; OR

24 (III) PHOTOVOLTAIC PROPERTY.

25 (8) "QUALIFIED HYBRID VEHICLE" MEANS AN AUTOMOBILE THAT
26 MEETS ALL APPLICABLE REGULATORY REQUIREMENTS AND THAT CAN DRAW
27 PROPULSION ENERGY FROM BOTH OF THE FOLLOWING ON-BOARD SOURCES OF
28 STORED ENERGY:

29 (I) A CONSUMABLE FUEL; AND

30 (II) A RECHARGEABLE ENERGY STORAGE SYSTEM.

31 (9) (I) "SOLAR ENERGY PROPERTY" MEANS EQUIPMENT THAT USES
32 SOLAR ENERGY:

33 1. TO GENERATE ELECTRICITY;

34 2. TO HEAT OR COOL A STRUCTURE OR PROVIDE HOT WATER
35 FOR USE IN A STRUCTURE; OR

1 3. TO PROVIDE SOLAR PROCESS HEAT.

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

5 (10) "SOLAR WATER HEATING PROPERTY" MEANS SOLAR ENERGY
6 PROPERTY THAT:

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

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

13 (B) AS PROVIDED IN THIS SECTION, AN INDIVIDUAL OR A CORPORATION MAY
14 CLAIM A CREDIT AGAINST THE STATE INCOME TAX FOR A TAXABLE YEAR AS
15 PROVIDED IN THIS SECTION FOR THE COSTS OF THE FOLLOWING PROPERTY PLACED
16 IN SERVICE DURING THE TAXABLE YEAR:

17 (1) A QUALIFIED ELECTRIC VEHICLE;

18 (2) A QUALIFIED HYBRID VEHICLE;

19 (3) A NEW, HIGHLY ENERGY EFFICIENT PRINCIPAL RESIDENCE
20 MEETING THE REQUIREMENTS OF SUBSECTION (E) OF THIS SECTION; OR

21 (4) QUALIFIED ENERGY PROPERTY.

22 (C) (1) FOR EACH QUALIFIED ELECTRIC VEHICLE PLACED IN SERVICE
23 DURING THE TAXABLE YEAR, THE CREDIT ALLOWED UNDER THIS SECTION
24 INCLUDES AN AMOUNT EQUAL TO THE LESSER OF:

25 (I) 5% OF THE COST OF THE QUALIFIED ELECTRIC VEHICLE; OR

26 (II) \$2,000.

27 (2) A CREDIT IS NOT ALLOWED FOR A VEHICLE UNDER THIS
28 SUBSECTION FOR A VEHICLE THAT IS NOT TITLED AND REGISTERED IN THE STATE.

29 (D) (1) EXCEPT AS OTHERWISE PROVIDED IN THIS SUBSECTION, FOR EACH
30 QUALIFIED HYBRID VEHICLE PLACED IN SERVICE DURING THE TAXABLE YEAR THAT
31 HAS A RECHARGEABLE ENERGY STORAGE SYSTEM THAT PROVIDES AT LEAST 5% OF
32 THE VEHICLE'S MAXIMUM AVAILABLE POWER, THE CREDIT ALLOWED UNDER THIS
33 SECTION INCLUDES:

34 (I) \$250 IF THE VEHICLE'S RECHARGEABLE ENERGY STORAGE
35 SYSTEM PROVIDES AT LEAST 5% BUT LESS THAN 10% OF THE MAXIMUM AVAILABLE
36 POWER;

1 (II) \$500 IF THE VEHICLE'S RECHARGEABLE ENERGY STORAGE
2 SYSTEM PROVIDES AT LEAST 10% BUT LESS THAN 20% OF THE MAXIMUM AVAILABLE
3 POWER;

4 (III) \$750 IF THE VEHICLE'S RECHARGEABLE ENERGY STORAGE
5 SYSTEM THAT PROVIDES AT LEAST 20% BUT LESS THAN 30% OF THE MAXIMUM
6 AVAILABLE POWER; OR

7 (IV) \$1,000 IF THE VEHICLE'S RECHARGEABLE ENERGY STORAGE
8 SYSTEM THAT PROVIDES AT LEAST 30% OF THE MAXIMUM AVAILABLE POWER.

9 (2) IF THE QUALIFIED HYBRID VEHICLE ACTIVELY EMPLOYS A
10 REGENERATIVE BRAKING SYSTEM THAT SUPPLIES TO THE RECHARGEABLE ENERGY
11 STORAGE SYSTEM AT LEAST 20% OF THE ENERGY AVAILABLE FROM BRAKING IN A
12 TYPICAL 60 MILES PER HOUR TO 0 MILES PER HOUR BRAKING EVENT, THE CREDIT
13 AMOUNT DETERMINED UNDER PARAGRAPH (1) OF THIS SUBSECTION SHALL BE
14 INCREASED BY:

15 (I) \$125 IF THE VEHICLE'S REGENERATIVE BRAKING SYSTEM
16 SUPPLIES TO THE RECHARGEABLE ENERGY STORAGE SYSTEM AT LEAST 20% BUT
17 LESS THAN 40% OF THE ENERGY AVAILABLE FROM BRAKING IN A TYPICAL 60 MILES
18 PER HOUR TO 0 MILES PER HOUR BRAKING EVENT;

19 (II) \$250 IF THE VEHICLE'S REGENERATIVE BRAKING SYSTEM
20 SUPPLIES TO THE RECHARGEABLE ENERGY STORAGE SYSTEM AT LEAST 40% BUT
21 LESS THAN 60% OF THE ENERGY AVAILABLE FROM BRAKING IN A TYPICAL 60 MILES
22 PER HOUR TO 0 MILES PER HOUR BRAKING EVENT; OR

23 (III) \$500 IF THE VEHICLE'S REGENERATIVE BRAKING SYSTEM
24 SUPPLIES TO THE RECHARGEABLE ENERGY STORAGE SYSTEM AT LEAST 60% OF THE
25 ENERGY AVAILABLE FROM BRAKING IN A TYPICAL 60 MILES PER HOUR TO 0 MILES
26 PER HOUR BRAKING EVENT.

27 (3) A CREDIT IS NOT ALLOWED UNDER THIS SUBSECTION FOR A
28 VEHICLE:

29 (I) THAT IS NOT TITLED AND REGISTERED IN THE STATE; OR

30 (II) FOR WHICH A CREDIT IS ALLOWED UNDER SUBSECTION (C) OF
31 THIS SECTION.

32 (4) THE MARYLAND ENERGY ADMINISTRATION SHALL ADOPT
33 REGULATIONS TO SPECIFY THE TESTING AND CALCULATION PROCEDURES TO BE
34 USED TO DETERMINE WHETHER A VEHICLE MEETS THE QUALIFICATIONS FOR A
35 CREDIT UNDER THIS SUBSECTION.

36 (E) (1) FOR AN INDIVIDUAL WHO PURCHASES A NEW, HIGHLY
37 ENERGY-EFFICIENT PRINCIPAL RESIDENCE DURING THE TAXABLE YEAR, THE
38 CREDIT ALLOWED UNDER THIS SECTION INCLUDES AN AMOUNT EQUAL TO:

1 (I) \$1,000 IF THE PROPERTY QUALIFIES AS 30% PROPERTY AS
2 DETERMINED UNDER PARAGRAPH (3) OF THIS SUBSECTION;

3 (II) \$1,500 IF THE PROPERTY QUALIFIES AS 40% PROPERTY AS
4 DETERMINED UNDER PARAGRAPH (3) OF THIS SUBSECTION; OR

5 (III) \$2,000 IF THE PROPERTY QUALIFIES AS 50% PROPERTY AS
6 DETERMINED UNDER PARAGRAPH (3) OF THIS SUBSECTION.

7 (2) PROPERTY QUALIFIES AS A NEW, HIGHLY ENERGY-EFFICIENT
8 PRINCIPAL RESIDENCE UNDER THIS SUBSECTION IF:

9 (I) THE PROPERTY IS LOCATED IN THE STATE;

10 (II) THE ORIGINAL USE OF THE PROPERTY COMMENCES WITH THE
11 TAXPAYER;

12 (III) WITHIN 60 DAYS OF THE ORIGINAL USE, THE PROPERTY IS THE
13 PRINCIPAL RESIDENCE OF THE TAXPAYER WITHIN THE MEANING OF § 121 OF THE
14 INTERNAL REVENUE CODE; AND

15 (IV) BEFORE THE ORIGINAL USE COMMENCES, AN INDIVIDUAL
16 QUALIFIED TO DETERMINE COMPLIANCE CERTIFIES THE PROPERTY AS BEING 50%
17 PROPERTY, 40% PROPERTY, OR 30% PROPERTY UNDER PARAGRAPH (3) OF THIS
18 SUBSECTION.

19 (3) FOR PURPOSES OF THIS SUBSECTION, PROPERTY IS 50% PROPERTY,
20 40% PROPERTY, OR 30% PROPERTY IF THE PROJECTED ENERGY USAGE OF THE
21 PROPERTY IS REDUCED BY AT LEAST 50%, 40%, OR 30%, RESPECTIVELY, COMPARED TO
22 THE ENERGY USAGE OF A REFERENCE HOUSE THAT COMPLIES WITH MINIMUM
23 STANDARD PRACTICE CALLED FOR UNDER THE 1995 MODEL ENERGY CODE, AS
24 DETERMINED ACCORDING TO THE REQUIREMENTS SPECIFIED IN REGULATIONS
25 ADOPTED BY THE MARYLAND ENERGY ADMINISTRATION.

26 (4) A DETERMINATION OF COMPLIANCE MADE FOR THE PURPOSES OF
27 THIS SUBSECTION SHALL BE FILED WITH THE MARYLAND ENERGY ADMINISTRATION
28 WITHIN 1 YEAR OF THE DATE OF THE DETERMINATION AND SHALL INCLUDE THE
29 TAXPAYER IDENTIFICATION NUMBER OF THE CERTIFIER, THE ADDRESS OF THE
30 BUILDING IN COMPLIANCE, AND THE IDENTITY OF THE PERSON FOR WHOM THE
31 DETERMINATION WAS PERFORMED.

32 (5) THE MARYLAND ENERGY ADMINISTRATION SHALL ESTABLISH
33 REQUIREMENTS FOR CERTIFICATION AND COMPLIANCE PROCEDURES AFTER
34 EXAMINING THE REQUIREMENTS FOR ENERGY CONSULTANTS AND HOME ENERGY
35 RATING PROVIDERS SPECIFIED BY THE MORTGAGE INDUSTRY NATIONAL
36 ACCREDITATION PROCEDURES FOR HOME ENERGY RATING SYSTEMS.

37 (6) AN INDIVIDUAL IS QUALIFIED TO DETERMINE COMPLIANCE FOR
38 PURPOSES OF THIS SUBSECTION ONLY IF THE INDIVIDUAL IS RECOGNIZED BY AN

1 ORGANIZATION CERTIFIED BY THE MARYLAND ENERGY ADMINISTRATION FOR SUCH
2 PURPOSES.

3 (F) (1) FOR QUALIFIED ENERGY PROPERTY PLACED IN SERVICE DURING
4 THE TAXABLE YEAR, SUBJECT TO THE LIMITATIONS UNDER PARAGRAPH (2) OF THIS
5 SUBSECTION, THE CREDIT ALLOWED UNDER THIS SECTION INCLUDES, FOR EACH
6 UNIT:

7 (I) 15% OF THE COST OF PHOTOVOLTAIC PROPERTY OR SOLAR
8 WATER HEATING PROPERTY;

9 (II) 10% OF THE COST OF:

10 1. A FUEL CELL THAT:

11 A. GENERATES ELECTRICITY AND HEAT USING AN
12 ELECTROCHEMICAL PROCESS;

13 B. HAS AN ELECTRICITY-ONLY GENERATION EFFICIENCY
14 GREATER THAN 35%; AND

15 C. HAS A MINIMUM GENERATING CAPACITY OF 5
16 KILOWATTS;

17 2. A NATURAL GAS HEAT PUMP THAT HAS A COEFFICIENT OF
18 PERFORMANCE OF AT LEAST 1.25 FOR HEATING AND AT LEAST 0.70 FOR COOLING;

19 3. AN ELECTRIC HEAT PUMP HOT WATER HEATER THAT
20 YIELDS AN ENERGY FACTOR OF AT LEAST 1.7;

21 4. AN ELECTRIC HEAT PUMP THAT HAS A HEATING SYSTEM
22 PERFORMANCE FACTOR OF AT LEAST 9 AND A COOLING SEASONAL ENERGY
23 EFFICIENCY RATIO OF AT LEAST 15;

24 5. A CENTRAL AIR CONDITIONER THAT HAS A COOLING
25 SEASONAL ENERGY EFFICIENCY RATIO OF AT LEAST 15; OR

26 6. AN ADVANCED NATURAL GAS WATER HEATER THAT HAS
27 AN ENERGY FACTOR OF AT LEAST 0.80; OR

28 (III) 5% OF THE COST OF QUALIFIED ENERGY PROPERTY THAT IS
29 NOT DESCRIBED UNDER ITEM (II) OF THIS PARAGRAPH AND IS:

30 1. AN ELECTRIC HEAT PUMP THAT HAS A HEATING SYSTEM
31 PERFORMANCE FACTOR OF AT LEAST 7.5 AND A COOLING SEASONAL ENERGY
32 EFFICIENCY RATIO OF AT LEAST 13.5;

33 2. A CENTRAL AIR CONDITIONER THAT HAS A COOLING
34 SEASONAL ENERGY EFFICIENCY RATIO OF AT LEAST 13.5; OR

1 3. AN ADVANCED NATURAL GAS WATER HEATER THAT HAS
2 AN ENERGY FACTOR OF AT LEAST 0.65.

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

4 (I) \$1,000 FOR EACH SYSTEM FOR PHOTOVOLTAIC PROPERTY;

5 (II) \$500 FOR EACH SYSTEM FOR SOLAR WATER HEATING
6 PROPERTY;

7 (III) \$250 FOR EACH KILOWATT OF CAPACITY FOR A FUEL CELL
8 DESCRIBED IN PARAGRAPH (1)(II)1 OF THIS SUBSECTION;

9 (IV) \$500 FOR EACH UNIT FOR A NATURAL GAS HEAT PUMP
10 DESCRIBED IN PARAGRAPH (1)(II)2 OF THIS SUBSECTION;

11 (V) \$250 FOR EACH UNIT FOR AN ELECTRIC HEAT PUMP HOT
12 WATER HEATER, ELECTRIC HEAT PUMP, CENTRAL AIR CONDITIONER, OR ADVANCED
13 NATURAL GAS WATER HEATER DESCRIBED IN PARAGRAPH (1)(II)3 THROUGH 6 OF
14 THIS SUBSECTION; OR

15 (VI) \$125 FOR EACH UNIT FOR AN ELECTRIC HEAT PUMP, CENTRAL
16 AIR CONDITIONER, OR ADVANCED NATURAL GAS WATER HEATER DESCRIBED IN
17 PARAGRAPH (1)(III) OF THIS SUBSECTION.

18 (G) (1) THE TOTAL AMOUNT OF THE CREDIT ALLOWED UNDER THIS
19 SECTION FOR ANY TAXABLE YEAR MAY NOT EXCEED THE STATE INCOME TAX FOR
20 THAT TAXABLE YEAR, CALCULATED BEFORE APPLICATION OF THE CREDITS UNDER
21 THIS SECTION AND §§ 10-701 AND 10-701.1 OF THIS SUBTITLE, BUT AFTER
22 APPLICATION OF THE OTHER CREDITS ALLOWABLE UNDER THIS SUBTITLE.

23 (2) THE UNUSED AMOUNT OF THE CREDIT FOR ANY TAXABLE YEAR MAY
24 NOT BE CARRIED OVER TO ANY OTHER TAXABLE YEAR.

25 (H) EXCEPT AS OTHERWISE PROVIDED IN THIS TITLE, FOR PURPOSES OF
26 DETERMINING MARYLAND TAXABLE INCOME, THE BASIS OF PROPERTY WITH
27 RESPECT TO WHICH THE CREDIT UNDER THIS SECTION IS ALLOWED SHALL BE ITS
28 BASIS FOR FEDERAL INCOME TAX PURPOSES.

29 (I) THE CREDIT UNDER THIS SECTION MAY NOT BE CLAIMED FOR PROPERTY
30 PLACED IN SERVICE AFTER DECEMBER 31, 2004.

31 10-719.

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

34 (2) (I) EXCEPT AS PROVIDED IN SUBPARAGRAPH (II) OF THIS
35 PARAGRAPH, "QUALIFIED ENERGY RESOURCES" HAS THE MEANING STATED IN § 45
36 OF THE INTERNAL REVENUE CODE.

1 (II) "QUALIFIED ENERGY RESOURCES" INCLUDES ANY SOLID,
2 NONHAZARDOUS, CELLULOSIC WASTE MATERIAL THAT IS SEGREGATED FROM
3 OTHER WASTE MATERIALS AND IS DERIVED FROM:

4 1. ANY OF THE FOLLOWING FOREST-RELATED RESOURCES,
5 NOT INCLUDING OLD-GROWTH TIMBER:

6 A. MILL RESIDUES;

7 B. PRECOMMERCIAL THINNINGS;

8 C. SLASH; OR

9 D. BRUSH;

10 2. WASTE PALLETS, CRATES, AND DUNNAGE AND
11 LANDSCAPE OR RIGHT-OF-WAY TRIMMINGS, NOT INCLUDING UNSEGREGATED
12 MUNICIPAL SOLID WASTE AND POST-CONSUMER WASTE PAPER; OR

13 3. AGRICULTURAL SOURCES, INCLUDING ORCHARD TREE
14 CROPS, VINEYARD, GRAIN, LEGUMES, SUGAR, AND OTHER CROP BY-PRODUCTS OR
15 RESIDUES.

16 (3) (I) EXCEPT AS PROVIDED IN SUBPARAGRAPHS (II) AND (III) OF THIS
17 PARAGRAPH, "QUALIFIED MARYLAND FACILITY" MEANS A QUALIFIED FACILITY, AS
18 DEFINED IN § 45 OF THE INTERNAL REVENUE CODE, THAT IS LOCATED IN THE STATE.

19 (II) "QUALIFIED MARYLAND FACILITY" DOES NOT INCLUDE ANY
20 FACILITY ORIGINALLY PLACED IN SERVICE BEFORE JANUARY 1, 2001.

21 (III) "QUALIFIED MARYLAND FACILITY" INCLUDES A FACILITY
22 THAT:

23 1. USES BIOMASS DESCRIBED IN PARAGRAPH (2)(II) OF THIS
24 SUBSECTION TO PRODUCE ELECTRICITY;

25 2. IS OWNED BY THE TAXPAYER; AND

26 3. IS ORIGINALLY PLACED IN SERVICE ON OR AFTER
27 JANUARY 1, 2001.

28 (B) (1) EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION, A
29 TAXPAYER MAY CLAIM A CREDIT AGAINST THE STATE INCOME TAX FOR A TAXABLE
30 YEAR IN AN AMOUNT EQUAL TO 0.85 CENTS FOR EACH KILOWATT HOUR OF
31 ELECTRICITY:

32 (I) PRODUCED BY THE TAXPAYER FROM QUALIFIED ENERGY
33 RESOURCES AT A QUALIFIED MARYLAND FACILITY DURING THE 10-YEAR PERIOD
34 BEGINNING ON THE DATE THE FACILITY WAS ORIGINALLY PLACED IN SERVICE; AND

1 (II) SOLD BY THE TAXPAYER TO AN UNRELATED PERSON DURING
2 THE TAXABLE YEAR.

3 (2) IF THE ELECTRICITY IS PRODUCED FROM BIOMASS THAT IS
4 CO-FIRED AT A FACILITY THAT PRODUCES ELECTRICITY FROM COAL, THE CREDIT IS
5 0.05 CENTS FOR EACH KILOWATT HOUR OF ELECTRICITY INSTEAD OF 0.85 CENTS.

6 (C) IF THE CREDIT ALLOWED UNDER THIS SECTION EXCEEDS THE STATE
7 INCOME TAX, ANY UNUSED CREDIT MAY BE CARRIED FORWARD AND APPLIED FOR
8 SUCCEEDING TAXABLE YEARS UNTIL THE EARLIER OF:

9 (1) THE FULL AMOUNT OF THE CREDIT IS USED; OR

10 (2) THE EXPIRATION OF THE 10TH TAXABLE YEAR AFTER THE TAXABLE
11 YEAR IN WHICH THE CREDIT AROSE.

12 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
13 July 1, 2000 and shall be applicable to all taxable years beginning after December 31,
14 2000 but before January 1, 2005. It shall remain effective for a period of 5 years and,
15 at the end of June 30, 2005, with no further action required by the General Assembly,
16 this Act shall be abrogated and of no further force and effect.