

SENATE BILL 670

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2000 Regular Session  
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By: **Senators Van Hollen, Madden, Lawlah, Munson, Colburn, Pinsky, Frosh,  
and Mooney**

Introduced and read first time: February 4, 2000

Assigned to: Budget and Taxation

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A BILL ENTITLED

1 AN ACT concerning

2 **Maryland Clean Energy Incentive Act**

3 FOR the purpose of providing an exemption from the sales and use tax for certain  
4 appliances that meet or exceed certain applicable energy efficiency guidelines;  
5 providing an exemption from the sales and use tax for certain energy efficient  
6 heating and cooling equipment and fuel cell electric generating equipment;  
7 allowing a credit against the motor vehicle excise tax for certain qualified  
8 electric vehicles and certain vehicles having an on-board rechargeable energy  
9 storage system; providing for the distribution of certain sales and use tax  
10 revenue to the Transportation Trust Fund of the State; allowing a credit against  
11 the State income tax for certain costs of certain equipment that uses solar  
12 energy to generate electricity or to heat or cool a structure or provide hot water  
13 for use in a structure; allowing a credit against the State income tax for certain  
14 electricity produced from certain qualified resources; providing for the carryover  
15 of certain unused credit to certain taxable years; requiring the Motor Vehicle  
16 Administration and the Maryland Energy Administration jointly to adopt  
17 certain regulations; requiring the Maryland Energy Administration, in  
18 consultation with certain persons, to develop certain voluntary labeling and  
19 public information materials; defining certain terms; providing for the  
20 application of this Act; and generally relating to certain State tax incentives for  
21 certain energy-efficient property and for certain electricity produced from  
22 certain qualified resources.

23 BY repealing and reenacting, with amendments,  
24 Article - Tax - General  
25 Section 2-1302.1  
26 Annotated Code of Maryland  
27 (1997 Replacement Volume and 1999 Supplement)

28 BY adding to  
29 Article - Tax - General  
30 Section 11-226  
31 Annotated Code of Maryland

1 (1997 Replacement Volume and 1999 Supplement)

2 BY repealing and reenacting, with amendments,

3 Article - Transportation

4 Section 3-215(b)(4) and 8-402(b)(5)

5 Annotated Code of Maryland

6 (1993 Replacement Volume and 1999 Supplement)

7 BY adding to

8 Article - Transportation

9 Section 13-815

10 Annotated Code of Maryland

11 (1999 Replacement Volume and 1999 Supplement)

12 BY adding to

13 Article - Tax - General

14 Section 10-718 and 10-719

15 Annotated Code of Maryland

16 (1997 Replacement Volume and 1999 Supplement)

17 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF

18 MARYLAND, That the Laws of Maryland read as follows:

19 **Article - Tax - General**

20 2-1302.1.

21 (A) After making the distributions required under §§ 2-1301 and 2-1302 of

22 this subtitle, the Comptroller monthly shall distribute 45% of the sales and use tax

23 collected on short-term vehicle rentals under § 11-104(c) of this article to the

24 Transportation Trust Fund established under § 3-216 of the Transportation Article.

25 (B) ON RECEIPT OF THE MOTOR VEHICLE ADMINISTRATION'S CERTIFICATION

26 UNDER § 13-815(F) OF THE TRANSPORTATION ARTICLE, FROM THE REMAINING SALES

27 AND USE TAX REVENUE THE COMPTROLLER SHALL DISTRIBUTE TO THE

28 TRANSPORTATION TRUST FUND AN AMOUNT EQUAL TO THE TOTAL AMOUNT OF

29 CREDITS ALLOWED AGAINST THE MOTOR VEHICLE EXCISE TAX UNDER § 13-815 OF

30 THE TRANSPORTATION ARTICLE FOR THE PRECEDING FISCAL YEAR.

31 11-226.

32 (A) THE SALES AND USE TAX DOES NOT APPLY TO THE SALE OF THE

33 FOLLOWING ELECTRIC APPLIANCES THAT MEET OR EXCEED THE APPLICABLE

34 ENERGY STAR EFFICIENCY REQUIREMENTS DEVELOPED BY THE UNITED STATES

35 ENVIRONMENTAL PROTECTION AGENCY AND THE UNITED STATES DEPARTMENT OF

36 ENERGY:

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

3 (2) A ROOM AIR CONDITIONER PURCHASED ON OR AFTER JANUARY 1,  
4 2001, BUT BEFORE JULY 1, 2004; OR

5 (3) A STANDARD SIZE REFRIGERATOR PURCHASED ON OR AFTER JULY 1,  
6 2001, BUT BEFORE JULY 1, 2004.

7 (B) THE SALES AND USE TAX DOES NOT APPLY TO THE SALE, ON OR BEFORE  
8 JULY 1, 2004, OF:

9 (1) A FUEL CELL THAT:

10 (I) GENERATES ELECTRICITY AND HEAT USING AN  
11 ELECTROCHEMICAL PROCESS;

12 (II) HAS AN ELECTRICITY-ONLY GENERATION EFFICIENCY  
13 GREATER THAN 35%; AND

14 (III) HAS A GENERATING CAPACITY OF AT LEAST 2 KILOWATTS;

15 (2) A NATURAL GAS HEAT PUMP THAT HAS A COEFFICIENT OF  
16 PERFORMANCE OF AT LEAST 1.25 FOR HEATING AND AT LEAST 0.70 FOR COOLING;

17 (3) AN ELECTRIC HEAT PUMP HOT WATER HEATER THAT YIELDS AN  
18 ENERGY FACTOR OF AT LEAST 1.7;

19 (4) AN ELECTRIC HEAT PUMP THAT HAS A HEATING SYSTEM  
20 PERFORMANCE FACTOR OF AT LEAST 7.5 AND A COOLING SEASONAL ENERGY  
21 EFFICIENCY RATIO OF AT LEAST 13.5;

22 (5) A CENTRAL AIR CONDITIONER THAT HAS A COOLING SEASONAL  
23 ENERGY EFFICIENCY RATIO OF AT LEAST 13.5; OR

24 (6) AN ADVANCED NATURAL GAS WATER HEATER THAT HAS AN ENERGY  
25 FACTOR OF AT LEAST 0.65.

26 **Article - Transportation**

27 3-215.

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

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

1 8-402.

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

4 (5) 80 percent of the funds distributed under § 2-1302.1 of the Tax -  
5 General Article to the Transportation Trust Fund from the sales and use tax  
6 [collected on short-term vehicle rentals under § 11-104 of the Tax - General Article].  
7 13-815.

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

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

12 (I) IS MANUFACTURED PRIMARILY FOR USE ON PUBLIC STREETS,  
13 ROADS, AND HIGHWAYS, OTHER THAN FOR USE EXCLUSIVELY ON A RAIL OR RAILS;  
14 AND

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

17 (3) "EXCISE TAX" MEANS THE TAX IMPOSED UNDER § 13-809 OF THIS  
18 SUBTITLE.

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

23 (5) "QUALIFIED ELECTRIC VEHICLE" HAS THE MEANING STATED IN § 30  
24 OF THE INTERNAL REVENUE CODE.

25 (6) "QUALIFIED HYBRID VEHICLE" MEANS AN AUTOMOBILE THAT:

26 (I) MEETS ALL APPLICABLE REGULATORY REQUIREMENTS;

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

30 (III) CAN DRAW PROPULSION ENERGY FROM BOTH OF THE  
31 FOLLOWING ON-BOARD SOURCES OF STORED ENERGY:

32 1. A CONSUMABLE FUEL; AND

33 2. A RECHARGEABLE ENERGY STORAGE SYSTEM.

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

3 (2) SUBJECT TO THE LIMITATIONS UNDER SUBSECTIONS (C) AND (D) OF  
4 THIS SECTION, THE CREDIT ALLOWED UNDER THIS SECTION EQUALS 100% OF THE  
5 EXCISE TAX IMPOSED FOR A VEHICLE.

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

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

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

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

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

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

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

25 (2) IF A QUALIFIED HYBRID VEHICLE ACTIVELY EMPLOYS A  
26 REGENERATIVE BRAKING SYSTEM THAT SUPPLIES TO THE RECHARGEABLE ENERGY  
27 STORAGE SYSTEM AT LEAST 20% OF THE ENERGY AVAILABLE FROM BRAKING IN A  
28 TYPICAL 60 MILES PER HOUR TO 0 MILES PER HOUR BRAKING EVENT, THE MAXIMUM  
29 CREDIT AMOUNT DETERMINED UNDER PARAGRAPH (1) OF THIS SUBSECTION SHALL  
30 BE INCREASED BY:

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

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

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

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

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

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

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

18 **Article - Tax - General**

19 10-718.

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

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

27 (3) (I) "SOLAR ENERGY PROPERTY" MEANS EQUIPMENT THAT USES  
28 SOLAR ENERGY:

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

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

1 (4) "SOLAR WATER HEATING PROPERTY" MEANS SOLAR ENERGY  
2 PROPERTY THAT:

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

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

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

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

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

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

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

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

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

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

32 (F) THE CREDIT UNDER THIS SECTION MAY NOT BE CLAIMED FOR PROPERTY  
33 PLACED IN SERVICE:

34 (1) BEFORE JULY 1, 2000; OR

35 (2) AFTER DECEMBER 31, 2004.

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

3 **Article - Tax - General**

4 10-719.

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

7 (2) (I) EXCEPT AS PROVIDED IN SUBPARAGRAPHS (II) AND (III) OF THIS  
8 PARAGRAPH, "QUALIFIED ENERGY RESOURCES" HAS THE MEANING STATED IN § 45  
9 OF THE INTERNAL REVENUE CODE.

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

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

15 A. MILL RESIDUES;

16 B. PRE-COMMERCIAL THINNINGS;

17 C. SLASH; OR

18 D. BRUSH;

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

22 3. AGRICULTURAL SOURCES, INCLUDING ORCHARD TREE  
23 CROPS, VINEYARD, GRAIN, LEGUMES, SUGAR, AND OTHER CROP BY-PRODUCTS OR  
24 RESIDUES.

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

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

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



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

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

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

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

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

20                                (I)       PRODUCED BY THE TAXPAYER FROM QUALIFIED ENERGY  
21 RESOURCES AT A QUALIFIED MARYLAND FACILITY DURING THE 10-YEAR PERIOD  
22 BEGINNING ON:

23                                1.         THE DATE THE FACILITY WAS ORIGINALLY PLACED IN  
24 SERVICE; OR

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

28                                (II)       SOLD BY THE TAXPAYER TO A PERSON OTHER THAN A RELATED  
29 PERSON, WITHIN THE MEANING OF § 45 OF THE INTERNAL REVENUE CODE, DURING  
30 THE TAXABLE YEAR.

31                                (2)       IF THE ELECTRICITY IS PRODUCED FROM A QUALIFIED ENERGY  
32 RESOURCE THAT IS CO-FIRED AT A FACILITY THAT PRODUCES ELECTRICITY FROM  
33 COAL, THE CREDIT IS 0.5 CENTS FOR EACH KILOWATT HOUR OF ELECTRICITY  
34 PRODUCED FROM THE QUALIFIED ENERGY RESOURCE INSTEAD OF 0.85 CENTS.

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

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

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

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

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

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

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