Unofficial Copy Q3

By: **Delegates Marriott, McHale, and Cole** Introduced and read first time: February 7, 2001 Assigned to: Ways and Means and Environmental Matters

A BILL ENTITLED

1 AN ACT concerning

2 3	Income Tax Credit for Electricity Produced from Qualified Energy Resources - Waste-to-Energy Facilities					
4 5 6 7 8 9 10 11 12 13	 tax credit allowed for electricity produced from qualified energy resources; allowing certain qualified waste-to-energy facilities to claim a certain credit for certain electricity produced from qualified energy resources; authorizing the governing body of a county to designate as eligible for a certain tax credit certain waste-to-energy facilities located in the county; providing for the application of this Act; and generally relating to allowing certain qualified waste-to-energy facilities to claim a certain credit for certain electricity produced from qualified 					
14 15 16 17 18	6 Section 10-7207 Annotated Code of Maryland					
19 20	 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows: 					
21	Article - Tax - General					
22	10-720.					
23	(a) (1) In this section the following words have the meanings indicated.					
	(2) (i) Except as provided in subparagraphs (ii) [and (iii)] THROUGH (IV) of this paragraph, "qualified energy resources" has the meaning stated in § 45 of the Internal Revenue Code.					

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	(ii) cellulosic waste material that is from:	-	ed energy resources" includes any solid, nonhazardous, ted from other waste materials and is derived		
4 5	old-growth timber:	1.	any of the following forest-related resources, not including		
6		A.	mill residues;		
7		B.	pre-commercial thinnings;		
8		C.	slash; or		
9		D.	brush;		
	right-of-way trimmings, not ir post-consumer waste paper; or	-	waste pallets, crates, and dunnage and landscape or insegregated municipal solid waste and		
13 14	3. agricultural sources, including orchard tree crops, vineyard, grain, legumes, sugar, and other crop by-products or residues.				
	(iii) from the anaerobic decomposi treatment plant.		ed energy resources" includes methane gas resulting ganic materials in a landfill or wastewater		
18 19	(IV) "QUALIFIED ENERGY RES		CASE OF A QUALIFIED WASTE-TO-ENERGY FACILITY, S" INCLUDES MUNICIPAL SOLID WASTE.		
	(3) (i) AND (III) of this paragraph, " the State that:		as provided in [subparagraph (ii)] SUBPARAGRAPHS (II) Maryland facility" means a facility located in		
	electricity and is originally pla January 1, 2005; or	1. aced in se	primarily uses qualified energy resources to produce rvice on or after January 1, 2001, but before		
28			produces electricity from a qualified energy resource that s co-firing a qualified energy resource on or y 1, 2005, regardless of when the original		
30 31	(II) WASTE-TO-ENERGY FACI		IFIED MARYLAND FACILITY" INCLUDES A QUALIFIED		
32 33	[(ii)] facility that claims a tax credit	(III) t under §	"Qualified Maryland facility" does not include a qualified 45 of the Internal Revenue Code:		
34 35	or	1.	that is originally placed in service before January 1, 2002;		

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 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. 					
5 (4) "QUALIFIED WASTE-TO-ENERGY FACILITY" MEANS A FACILITY 6 LOCATED IN THE STATE THAT:					
7 (I) AS OF JANUARY 1, 2001, USED MUNICIPAL SOLID WASTE TO 8 PRODUCE ELECTRICITY;					
9 (II) IS EXPANDED ON OR AFTER JULY 1, 2001 BUT BEFORE JANUARY 10 1, 2005; AND					
 (III) IS DESIGNATED AS ELIGIBLE FOR THE CREDIT UNDER THIS SECTION BY THE GOVERNING BODY OF THE COUNTY WHERE THE FACILITY IS LOCATED. 					
14 (b) (1) Except as provided in paragraph (2) of this subsection, an individual 15 or corporation may claim a credit against the State income tax for a taxable year in an 16 amount equal to 0.85 cents for each kilowatt hour of electricity:					
17(i)produced by the individual or corporation from qualified energy18resources at a qualified Maryland facility during the 10-year period beginning on:					
19 1. the date the facility was originally placed in service; [or]					
 20 2. in the case of a facility that produces electricity from a 21 qualified energy resource that is co-fired with coal, the date of the initial co-firing; 22 [and] OR 					
 3. IN THE CASE OF A QUALIFIED WASTE-TO-ENERGY FACILITY, THE DATE THE EXPANSION OF THE FACILITY WAS PLACED IN SERVICE; AND 					
 (ii) sold by the individual or corporation to a person other than a related person, within the meaning of § 45 of the Internal Revenue Code, during the taxable year. 					
 (2) (i) If the electricity is produced from a qualified energy resource that is co-fired at a facility that produces electricity from coal, the credit is 0.5 cents for each kilowatt hour of electricity produced from the qualified energy resource instead of 0.85 cents. 					
 (II) IN THE CASE OF A QUALIFIED WASTE-TO-ENERGY FACILITY, THE CREDIT IS ALLOWED ONLY FOR THE INCREASE IN ELECTRICITY PRODUCTION RESULTING FROM THE EXPANSION OF THE FACILITY. 					

36 (C) THE GOVERNING BODY OF A COUNTY MAY DESIGNATE AS ELIGIBLE FOR 37 THE TAX CREDIT UNDER THIS SECTION A FACILITY LOCATED IN THE COUNTY THAT:

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1 (1) AS OF JANUARY 1, 2001, USED MUNICIPAL SOLID WASTE TO PRODUCE 2 ELECTRICITY; AND

3 (2) IS EXPANDED ON OR AFTER JULY 1, 2001 BUT BEFORE JANUARY 1, 4 2005.

5 [(c)] (D) If the credit allowed under this section exceeds the State income tax, 6 any unused credit may be carried forward and applied for succeeding taxable years 7 until the earlier of:

8 (1) the full amount of the credit is used; or

9 (2) the expiration of the 10th taxable year after the taxable year in 10 which the credit arose.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
July 1, 2001, and shall be applicable to all taxable years beginning after December 31,
2000.

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