
By: **Senator Roesser**
Introduced and read first time: February 2, 2001
Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **Income Tax Credit - Energy-Efficient Homes**

3 FOR the purpose of allowing a credit against the State income tax for an individual
4 who purchases certain energy-efficient property; providing for calculation of the
5 amount of the credit; providing for the carryover of certain unused credit to
6 certain taxable years; providing for the issuance of credit eligibility
7 certifications; limiting the annual aggregate number of eligibility certificates;
8 requiring the Maryland Energy Administration to adopt certain regulations;
9 defining certain terms; providing for the application and termination of this Act;
10 and generally relating to a certain income tax credit for an individual who
11 purchases certain energy-efficient property.

12 BY adding to
13 Article - Tax - General
14 Section 10-722
15 Annotated Code of Maryland
16 (1997 Replacement Volume and 2000 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 10-722.

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

23 (2) "ADMINISTRATION" MEANS THE MARYLAND ENERGY
24 ADMINISTRATION.

25 (3) "CERTIFIED ENERGY-EFFICIENT NEW HOME" MEANS ANY
26 SINGLE-FAMILY RESIDENTIAL BUILDING CERTIFIED UNDER THE UNITED STATES
27 ENVIRONMENTAL PROTECTION AGENCY ENERGY STAR HOMES PROGRAM THAT IS
28 COMPLETED FOR OCCUPANCY IN THE STATE ON OR AFTER JANUARY 1, 2002.

1 (B) (1) AN INDIVIDUAL MAY CLAIM A CREDIT AGAINST THE STATE INCOME
2 TAX FOR A TAXABLE YEAR FOR THE PURCHASE OF A CERTIFIED ENERGY-EFFICIENT
3 NEW HOME MEETING THE REQUIREMENTS OF PARAGRAPH (2) OF THIS SUBSECTION
4 IN AN AMOUNT EQUAL TO:

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

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

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

11 (2) PROPERTY QUALIFIES AS A CERTIFIED ENERGY-EFFICIENT NEW
12 HOME UNDER THIS SUBSECTION IF:

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

14 (II) THE ORIGINAL USE OF THE PROPERTY COMMENCES WITH THE
15 TAXPAYER;

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

19 (IV) BEFORE THE ORIGINAL USE COMMENCES, AN INDIVIDUAL
20 QUALIFIED TO DETERMINE COMPLIANCE CERTIFIES THE PROPERTY AS BEING 30%
21 PROPERTY, 40% PROPERTY, OR 50% PROPERTY UNDER PARAGRAPH (3) OF THIS
22 SUBSECTION.

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

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

36 (5) THE ADMINISTRATION SHALL ESTABLISH REQUIREMENTS FOR
37 CERTIFICATION AND COMPLIANCE PROCEDURES AFTER EXAMINING THE
38 REQUIREMENTS FOR ENERGY CONSULTANTS AND HOME ENERGY RATING

1 PROVIDERS SPECIFIED BY THE MORTGAGE INDUSTRY NATIONAL ACCREDITATION
2 PROCEDURES FOR HOME ENERGY RATING SYSTEMS.

3 (6) AN INDIVIDUAL IS QUALIFIED TO DETERMINE COMPLIANCE FOR
4 PURPOSES OF THIS SUBSECTION ONLY IF THE INDIVIDUAL IS RECOGNIZED BY AN
5 ORGANIZATION CERTIFIED BY THE ADMINISTRATION FOR SUCH PURPOSES.

6 (C) IF THE CREDIT ALLOWED UNDER THIS SECTION IN ANY TAXABLE YEAR
7 EXCEEDS THE STATE INCOME TAX FOR THAT TAXABLE YEAR, AN ELIGIBLE
8 TAXPAYER MAY APPLY THE EXCESS AS A CREDIT AGAINST THE STATE INCOME TAX
9 FOR SUCCEEDING TAXABLE YEARS UNTIL THE EARLIER OF:

10 (1) THE FULL AMOUNT OF THE EXCESS IS USED; OR

11 (2) THE EXPIRATION OF THE THIRD TAXABLE YEAR AFTER THE
12 TAXABLE YEAR IN WHICH THE TAXPAYER WAS FIRST ELIGIBLE FOR THE CREDIT.

13 (D) (1) THE ADMINISTRATION SHALL ADOPT REGULATIONS, IN
14 CONSULTATION WITH THE UNITED STATES ENVIRONMENTAL PROTECTION AGENCY,
15 REGARDING APPLICATION FORMS AND PROCEDURES FOR CREDIT ELIGIBILITY
16 CERTIFICATES.

17 (2) FORMS FOR CERTIFYING THE ENERGY EFFICIENCY OF NEW HOMES
18 APPROVED BY THE UNITED STATES ENVIRONMENTAL PROTECTION AGENCY SHALL
19 BE PART OF THE ADMINISTRATION'S APPLICATION REQUIREMENTS.

20 (3) HOME BUILDERS SHALL BE AUTHORIZED TO PREPARE
21 APPLICATIONS FOR CREDIT ELIGIBILITY CERTIFICATES ON BEHALF OF ELIGIBLE
22 TAXPAYERS.

23 (4) THE ADMINISTRATION MAY NOT ISSUE CREDIT ELIGIBILITY
24 CERTIFICATES FOR MORE THAN A TOTAL OF \$15 MILLION DURING CALENDAR YEARS
25 2002 THROUGH 2006.

26 (5) THE ADMINISTRATION MAY NOT ISSUE ANY CREDIT ELIGIBILITY
27 CERTIFICATE AFTER DECEMBER 31, 2006.

28 SECTION 2. AND BE IT FURTHER ENACTED, That the Administration shall
29 adopt the regulations required under this Act on or before October 1, 2001.

30 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect
31 July 1, 2001 and shall be applicable to all taxable years beginning after December 31,
32 2000 but before January 1, 2007. It shall remain effective for a period of 6 years and,
33 at the end of June 30, 2007 with no further action required by the General Assembly,
34 this Act shall be abrogated and of no further force and effect.