

SENATE BILL 745

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Q3
HB 985/00 - W&M

2001 Regular Session
11r1223

By: **Senators Van Hollen, Colburn, Conway, Dyson, Exum, Ferguson,
Forehand, Frosh, Green, Hollinger, Hughes, Kelley, McFadden,
Middleton, Munson, Roesser, Ruben, Sfikas, and Stone**

Introduced and read first time: February 2, 2001
Assigned to: Budget and Taxation

Committee Report: Favorable with amendments
Senate action: Adopted
Read second time: April 2, 2001

CHAPTER _____

1 AN ACT concerning

2 **Income Tax Credit for Green Buildings**

3 FOR the purpose of providing for credits against the State income tax for certain costs
4 for construction or rehabilitation of buildings and certain equipment to meet
5 certain energy efficiency and environmental standards; allowing certain unused
6 credit amounts to be carried forward to certain taxable years; providing for
7 issuance of certain initial credit ~~component~~ certificates by the Maryland Energy
8 Administration; limiting the annual and aggregate amount of initial credit
9 ~~component~~ certificates that the Administration may issue; prohibiting the
10 Administration from issuing an initial credit ~~component~~ certificate after a
11 certain date; requiring a taxpayer claiming a credit to obtain and file with the
12 income tax return a certain eligibility certificate from an architect or
13 professional engineer regarding compliance with certain requirements;
14 ~~requiring a taxpayer claiming a credit to maintain certain records and submit~~
15 ~~certain information to the Administration;~~ authorizing the Comptroller; and the
16 Administration, ~~and the Department of the Environment~~ to adopt certain
17 regulations; requiring the Comptroller and the Administration to submit a
18 certain report to the Governor and the General Assembly by a certain date;
19 requiring the Administration, ~~in consultation with the Department of the~~
20 ~~Environment,~~ to adopt certain regulations establishing certain standards by a
21 certain date; ~~requiring the Department of the Environment, in consultation with~~
22 ~~the Department of Health and Mental Hygiene, to adopt certain regulations~~
23 ~~establishing certain standards by a certain date;~~ defining certain terms;
24 providing for the application of this Act; and generally relating to State income
25 tax credits for buildings, building components, and equipment that meet certain
26 energy efficiency and environmental standards.

1 BY adding to
 2 Article - Tax - General
 3 Section 10-722
 4 Annotated Code of Maryland
 5 (1997 Replacement Volume and 2000 Supplement)

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

8 **Article - Tax - General**

9 10-722.

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

12 (2) "ADMINISTRATION" MEANS THE MARYLAND ENERGY
 13 ADMINISTRATION.

14 (3) (I) "ALLOWABLE COSTS" MEANS AMOUNTS PROPERLY
 15 CHARGEABLE TO CAPITAL ACCOUNT, OTHER THAN FOR LAND, THAT ARE PAID OR
 16 INCURRED ON OR AFTER JULY 1, 2001, FOR:

17 1. CONSTRUCTION OR REHABILITATION;

18 2. COMMISSIONING COSTS;

19 3. INTEREST PAID OR INCURRED DURING THE
 20 CONSTRUCTION OR REHABILITATION PERIOD;

21 4. ~~LEGAL~~, ARCHITECTURAL, ENGINEERING, AND OTHER
 22 PROFESSIONAL FEES ALLOCABLE TO CONSTRUCTION OR REHABILITATION;

23 5. CLOSING COSTS FOR CONSTRUCTION, REHABILITATION,
 24 OR MORTGAGE LOANS;

25 6. RECORDING TAXES AND FILING FEES INCURRED WITH
 26 RESPECT TO CONSTRUCTION OR REHABILITATION; AND

27 7. ~~SITE COSTS, INCLUDING TEMPORARY ELECTRIC WIRING,
 28 SCAFFOLDING, DEMOLITION COSTS, AND FENCING AND SECURITY FACILITIES; AND~~

29 8. ~~FURNITURE, CARPETING, PARTITIONS, WALLS AND WALL
 30 COVERINGS, CEILINGS, DRAPES, BLINDS FINISHES AND FURNISHINGS CONSISTENT
 31 WITH THE REGULATIONS ADOPTED BY THE ADMINISTRATION UNDER THIS SECTION,
 32 LIGHTING, PLUMBING, ELECTRICAL WIRING, AND VENTILATION.~~

33 (II) "ALLOWABLE COSTS" DOES NOT INCLUDE:

1 1. THE COST OF TELEPHONE SYSTEMS AND COMPUTERS,
2 OTHER THAN ELECTRICAL WIRING COSTS; ~~OR~~

3 2. LEGAL FEES ALLOCABLE TO CONSTRUCTION OR
4 REHABILITATION;

5 3. SITE COSTS, INCLUDING TEMPORARY ELECTRIC WIRING,
6 SCAFFOLDING, DEMOLITION COSTS, AND FENCING AND SECURITY FACILITIES;

7 4. FINISHES OR FURNISHINGS THAT ARE NOT CONSISTENT
8 WITH THE REGULATIONS ADOPTED BY THE ADMINISTRATION UNDER THIS SECTION;
9 OR

10 5. THE COST OF PURCHASING OR INSTALLING FUEL
11 CELLS, WIND TURBINES, OR PHOTOVOLTAIC MODULES.

12 (4) "APPLICABLE ENERGY EFFICIENCY STANDARDS" MEANS
13 ASHRAE/IESNA STANDARD 90.1-1999, ENERGY STANDARD FOR BUILDINGS EXCEPT
14 LOW-RISE RESIDENTIAL BUILDINGS, PUBLISHED BY THE AMERICAN SOCIETY OF
15 HEATING, REFRIGERATING AND AIR-CONDITIONING ENGINEERS.

16 (5) "BASE BUILDING" MEANS ALL AREAS OF A BUILDING NOT INTENDED
17 FOR OCCUPANCY BY A TENANT OR OWNER, INCLUDING THE STRUCTURAL
18 COMPONENTS OF THE BUILDING, EXTERIOR WALLS, FLOORS, WINDOWS, ROOFS,
19 FOUNDATIONS, CHIMNEYS AND STACKS, PARKING AREAS, MECHANICAL ROOMS AND
20 MECHANICAL SYSTEMS, AND OWNER-CONTROLLED OR OPERATED SERVICE SPACES,
21 SIDEWALKS, MAIN LOBBY, SHAFTS AND VERTICAL TRANSPORTATION MECHANISMS,
22 STAIRWAYS, AND CORRIDORS.

23 (6) "COMMISSIONING" MEANS:

24 (I) THE TESTING AND FINE-TUNING OF HEAT, VENTILATING, AND
25 AIR-CONDITIONING SYSTEMS AND OTHER SYSTEMS TO ASSURE PROPER
26 FUNCTIONING AND ADHERENCE TO DESIGN CRITERIA; AND

27 (II) THE PREPARATION OF SYSTEM OPERATION MANUALS AND
28 INSTRUCTION OF MAINTENANCE PERSONNEL.

29 (7) "CREDIT ALLOWANCE YEAR" MEANS THE LATER OF:

30 (I) THE TAXABLE YEAR DURING WHICH:

31 1. THE PROPERTY, CONSTRUCTION, COMPLETION, OR
32 REHABILITATION ON WHICH THE CREDIT ALLOWED UNDER THIS SECTION IS BASED
33 IS ORIGINALLY PLACED IN SERVICE; OR

34 2. A FUEL CELL, WIND TURBINE, OR PHOTOVOLTAIC
35 MODULE CONSTITUTES A QUALIFYING ALTERNATE ENERGY SOURCE AND IS FULLY
36 OPERATIONAL; OR

1 (II) THE ~~FIRST~~ EARLIEST TAXABLE YEAR FOR WHICH THE CREDIT
 2 MAY BE CLAIMED UNDER THE INITIAL CREDIT ~~COMPONENT~~ CERTIFICATE ISSUED
 3 UNDER SUBSECTION ~~(L)~~ (K) OF THIS SECTION.

4 (8) "ELIGIBLE BUILDING" MEANS A BUILDING LOCATED IN THE STATE
 5 THAT IS:

6 (I) 1. IS A BUILDING USED PRIMARILY FOR NONRESIDENTIAL
 7 PURPOSES IF THE BUILDING CONTAINS AT LEAST 20,000 SQUARE FEET OF INTERIOR
 8 SPACE;

9 2. IS A RESIDENTIAL MULTIFAMILY BUILDING WITH AT
 10 LEAST 12 DWELLING UNITS THAT CONTAINS AT LEAST 20,000 SQUARE FEET OF
 11 INTERIOR SPACE; OR

12 3. IS ANY COMBINATION OF BUILDINGS DESCRIBED IN ITEM
 13 ~~(H) 1 OR (H) 2 OF THIS PARAGRAPH ITEM; AND~~

14 ~~(H) IF THE BUILDING IS A NEWLY CONSTRUCTED BUILDING FOR~~
 15 ~~WHICH A CERTIFICATE OF OCCUPANCY WAS NOT ISSUED BEFORE JULY 1, 2000;~~

16 ~~1. THE BUILDING IS LOCATED IN A STATE-APPROVED~~
 17 ~~PRIORITY FUNDING AREA; AND~~

18 ~~2. THE BUILDING IS NOT LOCATED ON WETLANDS, THE~~
 19 ~~CONSTRUCTION OF WHICH REQUIRES A PERMIT UNDER § 404 OF THE FEDERAL~~
 20 ~~CLEAN WATER ACT, 33 U.S.C. § 1344.~~

21 (II) IN THE CASE OF A NEWLY CONSTRUCTED BUILDING FOR
 22 WHICH A CERTIFICATE OF OCCUPANCY WAS NOT ISSUED BEFORE JULY 1, 2001;

23 1. IS LOCATED ON A QUALIFIED BROWNFIELDS SITE, AS
 24 DEFINED UNDER ARTICLE 83A, § 5-1401 OF THE CODE; OR

25 2. A. IS LOCATED IN A PRIORITY FUNDING AREA UNDER §
 26 5-7B-02 OF THE STATE FINANCE AND PROCUREMENT ARTICLE; AND

27 B. IS NOT LOCATED ON WETLANDS, THE ALTERATION OF
 28 WHICH REQUIRES A PERMIT UNDER § 404 OF THE FEDERAL CLEAN WATER ACT, 33
 29 U.S.C. § 1344; AND

30 (III) IN THE CASE OF A REHABILITATION OF A BUILDING:

31 1. IS LOCATED IN A PRIORITY FUNDING AREA UNDER §
 32 5-7B-02 OF THE STATE FINANCE AND PROCUREMENT ARTICLE OR ON A QUALIFIED
 33 BROWNFIELDS SITE AS DEFINED UNDER ARTICLE 83A, § 5-1401 OF THE CODE; OR

34 2. IS NOT AN INCREASE OF MORE THAN 25% IN THE SQUARE
 35 FOOTAGE OF THE BUILDING.

1 (9) "FUEL CELL" MEANS A DEVICE THAT PRODUCES ELECTRICITY
2 DIRECTLY FROM HYDROGEN OR HYDROCARBON FUEL THROUGH A NONCOMBUSTIVE
3 ELECTROCHEMICAL PROCESS.

4 (10) "GREEN BASE BUILDING" MEANS A BASE BUILDING THAT IS PART OF
5 AN ELIGIBLE BUILDING AND MEETS THE REQUIREMENTS SET OUT IN SUBSECTION
6 ~~(I)~~ (I) OF THIS SECTION.

7 (11) "GREEN WHOLE BUILDING" MEANS A BUILDING FOR WHICH THE
8 BASE BUILDING IS A GREEN BASE BUILDING AND ALL TENANT SPACE IS GREEN
9 TENANT SPACE.

10 (12) "GREEN TENANT SPACE" MEANS TENANT SPACE IN A BUILDING IF
11 THE BUILDING IS AN ELIGIBLE BUILDING AND THE TENANT SPACE MEETS THE
12 REQUIREMENTS OF SUBSECTION ~~(K)~~ (J) OF THIS SECTION.

13 (13) "INCREMENTAL COST OF BUILDING-INTEGRATED PHOTOVOLTAIC
14 MODULES" MEANS:

15 (I) THE COST OF BUILDING-INTEGRATED PHOTOVOLTAIC
16 MODULES AND ANY ASSOCIATED INVERTER, ADDITIONAL WIRING OR OTHER
17 ELECTRICAL EQUIPMENT FOR THE PHOTOVOLTAIC MODULES, OR ADDITIONAL
18 MOUNTING OR STRUCTURAL MATERIALS, LESS THE COST OF SPANDREL GLASS OR
19 OTHER BUILDING MATERIAL THAT WOULD HAVE BEEN USED IF
20 BUILDING-INTEGRATED PHOTOVOLTAIC MODULES WERE NOT INSTALLED;

21 (II) INCREMENTAL LABOR COSTS PROPERLY ALLOCABLE TO
22 ON-SITE PREPARATION, ASSEMBLY, AND ORIGINAL INSTALLATION OF
23 PHOTOVOLTAIC MODULES; AND

24 (III) INCREMENTAL ARCHITECTURAL AND ENGINEERING SERVICES
25 AND DESIGNS AND PLANS DIRECTLY RELATED TO THE CONSTRUCTION OR
26 INSTALLATION OF PHOTOVOLTAIC MODULES.

27 (14) "QUALIFYING ALTERNATE ENERGY SOURCES" MEANS
28 BUILDING-INTEGRATED AND NONBUILDING-INTEGRATED PHOTOVOLTAIC
29 MODULES, WIND TURBINES, AND FUEL CELLS INSTALLED TO SERVE THE BASE
30 BUILDING OR TENANT SPACE THAT:

31 (I) HAVE THE CAPABILITY TO MONITOR THEIR ~~AC~~ ACTUAL POWER
32 OUTPUT; ~~AND~~

33 (II) ~~ARE VALIDATED UPON INSTALLATION, AND ANNUALLY~~
34 ~~THEREAFTER, TO ENSURE THAT THE SYSTEMS MEET THEIR DESIGN SPECIFICATIONS~~
35 FULLY COMMISSIONED UPON INSTALLATION, AND ANNUALLY THEREAFTER, TO
36 ENSURE THAT THE SYSTEMS MEET THEIR DESIGN SPECIFICATIONS; AND

37 (III) IN THE CASE OF WIND TURBINES, MEET ANY APPLICABLE
38 NOISE ORDINANCES.

1 (15) "REVITALIZATION AREA" MEANS:

2 (I) ~~AN AREA DESIGNATED AS AN ENTERPRISE ZONE BY THE~~
3 ~~SECRETARY UNDER ARTICLE 83A, § 5-402 OF THE CODE OR BY THE UNITED STATES~~
4 ~~GOVERNMENT;~~

5 (II) ~~AN AREA DESIGNATED AS AN EMPOWERMENT ZONE BY THE~~
6 ~~UNITED STATES GOVERNMENT PURSUANT TO 26 U.S.C. § 1391 ET SEQ.; OR~~

7 (III) ~~AN AREA DESIGNATED AS AN ELIGIBLE NEIGHBORHOOD FOR~~
8 ~~ECONOMIC REVITALIZATION ASSISTANCE UNDER ARTICLE 83B, § 4-203 OF THE CODE.~~

9 (16) (15) "TENANT IMPROVEMENTS" MEANS IMPROVEMENTS THAT ARE
10 NECESSARY OR APPROPRIATE TO SUPPORT OR CONDUCT THE BUSINESS OF A
11 TENANT OR OCCUPYING OWNER.

12 (17) (16) "TENANT SPACE" MEANS THE PORTION OF A BUILDING
13 INTENDED FOR OCCUPANCY BY A TENANT OR OCCUPYING OWNER.

14 (B) (1) AN INDIVIDUAL OR A CORPORATION MAY CLAIM A CREDIT AGAINST
15 THE STATE INCOME TAX AS PROVIDED UNDER THIS SECTION FOR GREEN BUILDINGS
16 AND GREEN BUILDING COMPONENTS.

17 (2) IF THE CREDIT ALLOWED UNDER THIS SECTION EXCEEDS THE
18 STATE INCOME TAX, ANY UNUSED CREDIT MAY BE CARRIED FORWARD AND APPLIED
19 FOR SUCCEEDING TAXABLE YEARS UNTIL THE EARLIER OF:

20 (I) THE FULL AMOUNT OF THE CREDIT IS USED; OR

21 (II) THE EXPIRATION OF THE ~~15TH~~ 10TH YEAR AFTER THE TAXABLE
22 YEAR FOR WHICH THE CREDIT WAS ALLOWED.

23 (3) ~~IF AN ELIGIBLE BUILDING IS OWNED BY THE STATE, A POLITICAL~~
24 ~~SUBDIVISION OF THE STATE, THE FEDERAL GOVERNMENT, A FOREIGN~~
25 ~~GOVERNMENT, OR A NOT-FOR-PROFIT ORGANIZATION EXEMPT FROM STATE~~
26 ~~INCOME TAX, THE CREDIT ALLOWED UNDER THIS SECTION MAY BE CLAIMED BY~~
27 ~~EITHER THE ARCHITECT OF THE BUILDING, THE GENERAL CONTRACTOR OF THE~~
28 ~~BUILDING, OR BOTH, PROVIDED THAT:~~

29 (I) ~~ANY CLAIM OF CREDIT HAS BEEN FULLY DISCLOSED TO THE~~
30 ~~OWNER OF THE BUILDING, AS EVIDENCED BY THE SEAL OR SIGNATURE OF THE~~
31 ~~OWNER ON THE APPLICATION OF THE TAXPAYER FOR AN INITIAL CREDIT~~
32 ~~COMPONENT CERTIFICATE TO BE ISSUED UNDER SUBSECTION (L) OF THIS SECTION;~~
33 ~~AND~~

34 (II) ~~THE TOTAL AMOUNT OF CREDIT CLAIMED BY MORE THAN ONE~~
35 ~~TAXPAYER FOR THE SAME ELIGIBLE BUILDING MAY NOT EXCEED 100% OF THE~~
36 ~~CREDIT ALLOWED FOR THE BUILDING UNDER THIS SECTION.~~

1 ~~(C)~~ ~~(1)~~ EXCEPT AS OTHERWISE PROVIDED IN THIS SECTION, THE CREDIT
2 ALLOWED UNDER THIS SECTION EQUALS THE SUM OF THE CREDIT COMPONENTS AS
3 SPECIFIED IN SUBSECTIONS ~~(D)~~ THROUGH ~~(I)~~ OF THIS SECTION.

4 ~~(2)~~ THE CREDIT MAY NOT BE ALLOWED UNLESS THE TAXPAYER HAS
5 COMPLIED WITH THE REQUIREMENTS FOR REPORTS TO THE ADMINISTRATION
6 UNDER SUBSECTION ~~(M)~~ OF THIS SECTION.

7 ~~(3)~~ FOR EACH OF THE ~~CREDIT COMPONENTS~~ CREDITS UNDER
8 SUBSECTIONS ~~(D)~~ (C) THROUGH ~~(I)~~ (H) OF THIS SECTION:

9 ~~(4)~~ 1. THE CREDIT MAY NOT BE ALLOWED FOR ANY TAXABLE YEAR
10 UNLESS:

11 ~~1.~~ (I) THE TAXPAYER HAS OBTAINED AND FILED AN
12 INITIAL CREDIT ~~COMPONENT~~ CERTIFICATE AND AN ELIGIBILITY CERTIFICATE
13 ISSUED UNDER SUBSECTION ~~(L)~~ (K) OF THIS SECTION;

14 ~~2.~~ (II) A CERTIFICATE OF OCCUPANCY FOR THE BUILDING
15 HAS BEEN ISSUED; AND

16 ~~3.~~ (III) THE PROPERTY WITH RESPECT TO WHICH THE
17 CREDIT IS CLAIMED IS IN SERVICE DURING THE TAXABLE YEAR~~;~~

18 ~~(H)~~ THE CREDIT AMOUNT ALLOWED FOR THE CREDIT COMPONENT
19 MAY BE CLAIMED:

20 ~~1.~~ FOR THE CREDIT ALLOWANCE YEAR; AND

21 ~~2.~~ FOR EACH OF THE 4 TAXABLE YEARS SUCCEEDING THE
22 CREDIT ALLOWANCE YEAR; AND

23 ~~(H)~~ THE TOTAL CREDIT ALLOWED IN THE AGGREGATE FOR THE
24 CREDIT ALLOWANCE YEAR AND THE 4 TAXABLE YEARS SUCCEEDING THE CREDIT
25 ALLOWANCE YEAR MAY NOT EXCEED THE MAXIMUM SET FORTH IN THE INITIAL
26 CREDIT COMPONENT CERTIFICATE OBTAINED UNDER SUBSECTION ~~(L)~~ OF THIS
27 SECTION.

28 ~~(4)~~ (4) THE TOTAL AMOUNT ALLOWED IN THE AGGREGATE FOR ALL
29 CREDITS UNDER THIS SECTION MAY NOT EXCEED THE MAXIMUM SET FORTH IN THE
30 INITIAL CREDIT CERTIFICATE OBTAINED UNDER SUBSECTION (K) OF THIS SECTION.

31 ~~(4)~~ ~~(5)~~ IN DETERMINING THE AMOUNT OF THE ~~CREDIT COMPONENTS~~
32 CREDITS UNDER THIS SECTION, A COST PAID OR INCURRED MAY NOT BE THE BASIS
33 FOR MORE THAN ONE CREDIT ~~COMPONENT~~.

34 ~~(5)~~ ~~(4)~~ IF A BUILDING FOR WHICH A CREDIT IS ALLOWED TO A
35 BUILDING OWNER UNDER THIS SECTION IS SOLD, THE NEW OWNER MAY CLAIM THE
36 CREDIT FOR THE PERIOD AFTER THE SALE.

1 (HI) IF A TENANCY FOR A BUILDING FOR WHICH A CREDIT IS
2 ALLOWED TO A TENANT UNDER THIS SECTION IS TERMINATED BUT THE PROPERTY
3 REMAINS IN USE BY A SUCCESSOR TENANT, THE SUCCESSOR TENANT MAY CLAIM
4 THE CREDIT FOR THE PERIOD AFTER THE TERMINATION.

5 (HII) THE CREDIT FOR THE YEAR OF A SALE OR THE YEAR OF
6 TERMINATION OF A TENANCY SHALL BE ALLOCATED BETWEEN THE PARTIES BASED
7 ON THE NUMBER OF DAYS DURING THE YEAR THAT THE PROPERTY OR INTEREST
8 WAS HELD OR USED BY EACH.

9 (IV) NOTWITHSTANDING ANY OTHER PROVISION OF LAW, IF A
10 CREDIT IS CLAIMED BY A SUCCESSOR OWNER OR TENANT UNDER THIS PARAGRAPH,
11 THE COMPTROLLER MAY DISCLOSE TO THE SUCCESSOR OWNER OR TENANT ANY
12 INFORMATION RELATING TO THE CREDIT OF THE PRIOR OWNER OR TENANT THAT IS
13 THE BASIS FOR THE DENIAL IN WHOLE OR IN PART OF THE CREDIT CLAIMED BY THE
14 SUCCESSOR OWNER OR TENANT.

15 ~~(D)~~ (C) (1) THE CREDIT ALLOWED UNDER THIS SECTION INCLUDES AN
16 AMOUNT EQUAL TO THE APPLICABLE PERCENTAGE FOR THE TAXABLE YEAR THAT IS
17 THE CREDIT ALLOWANCE YEAR, AN OWNER OR TENANT MAY CLAIM A CREDIT IN AN
18 AMOUNT EQUAL TO 8% OF THE ALLOWABLE COSTS PAID OR INCURRED BY AN THE
19 OWNER OR TENANT FOR THE CONSTRUCTION OF A GREEN WHOLE BUILDING OR THE
20 REHABILITATION OF A BUILDING THAT IS NOT A GREEN WHOLE BUILDING TO BE A
21 GREEN WHOLE BUILDING.

22 (2) THE APPLICABLE PERCENTAGE FOR THE CREDIT COMPONENT
23 UNDER THIS SUBSECTION FOR A GREEN WHOLE BUILDING ELIGIBLE SHALL BE:

24 (I) 1.4% UNLESS THE BUILDING IS LOCATED IN A REVITALIZATION
25 AREA; OR

26 (HI) 1.6% IF THE BUILDING IS LOCATED IN A REVITALIZATION AREA.

27 (3) (2) THE ALLOWABLE COSTS USED TO DETERMINE THE CREDIT
28 AMOUNT ALLOWED UNDER THIS SUBSECTION FOR A GREEN WHOLE BUILDING MAY
29 NOT EXCEED, IN THE AGGREGATE:

30 (I) \$150 ~~\$120~~ PER SQUARE FOOT FOR THAT PORTION OF THE
31 BUILDING THAT COMPRISES THE BASE BUILDING; AND

32 (II) \$75 ~~\$60~~ PER SQUARE FOOT FOR THAT PORTION OF THE
33 BUILDING THAT COMPRISES THE TENANT SPACE.

34 ~~(E)~~ (D) (1) THE CREDIT ALLOWED UNDER THIS SECTION INCLUDES AN
35 AMOUNT EQUAL TO THE APPLICABLE PERCENTAGE FOR THE TAXABLE YEAR THAT IS
36 THE CREDIT ALLOWANCE YEAR, AN OWNER MAY CLAIM A CREDIT IN AN AMOUNT
37 EQUAL TO 6% of the allowable costs paid or incurred by AN THE OWNER FOR
38 THE CONSTRUCTION OF A GREEN BASE BUILDING OR THE REHABILITATION OF A
39 BUILDING THAT IS NOT A GREEN BASE BUILDING TO BE A GREEN BASE BUILDING.

1 ~~(2)~~ ~~THE APPLICABLE PERCENTAGE FOR THE CREDIT COMPONENT~~
 2 ~~UNDER THIS SUBSECTION FOR A GREEN BASE BUILDING SHALL BE:~~

3 ~~(I)~~ ~~1.0% UNLESS THE BUILDING IS LOCATED IN A REVITALIZATION~~
 4 ~~AREA; OR~~

5 ~~(II)~~ ~~1.2% IF THE BUILDING IS LOCATED IN A REVITALIZATION AREA.~~

6 ~~(3)~~ ~~(2)~~ ~~THE ALLOWABLE COSTS USED TO DETERMINE THE CREDIT~~
 7 ~~AMOUNT ALLOWED UNDER THIS SUBSECTION FOR A GREEN BASE BUILDING MAY~~
 8 ~~NOT EXCEED, IN THE AGGREGATE, \$150~~ \$120 ~~PER SQUARE FOOT.~~

9 ~~(F)~~ ~~(E)~~ ~~(1)~~ ~~THE CREDIT ALLOWED UNDER THIS SECTION INCLUDES AN~~
 10 ~~AMOUNT EQUAL TO THE APPLICABLE PERCENTAGE FOR THE TAXABLE YEAR THAT IS~~
 11 ~~THE CREDIT ALLOWANCE YEAR. AN OWNER OR TENANT MAY CLAIM A CREDIT IN AN~~
 12 ~~AMOUNT EQUAL TO 6% OF THE ALLOWABLE COSTS FOR TENANT IMPROVEMENTS~~
 13 ~~PAID OR INCURRED BY AN THE OWNER OR TENANT IN THE CONSTRUCTION OR~~
 14 ~~COMPLETION OF GREEN TENANT SPACE OR THE REHABILITATION OF TENANT SPACE~~
 15 ~~THAT IS NOT GREEN TENANT SPACE TO BE GREEN TENANT SPACE.~~

16 ~~(2)~~ ~~THE APPLICABLE PERCENTAGE FOR THE CREDIT COMPONENT~~
 17 ~~UNDER THIS SUBSECTION FOR GREEN TENANT SPACE SHALL BE:~~

18 ~~(I)~~ ~~1.0% UNLESS THE BUILDING IS LOCATED IN A REVITALIZATION~~
 19 ~~AREA; OR~~

20 ~~(II)~~ ~~1.2% IF THE BUILDING IS LOCATED IN A REVITALIZATION AREA.~~

21 ~~(3)~~ ~~(2)~~ ~~(I)~~ ~~THE ALLOWABLE COSTS USED TO DETERMINE THE~~
 22 ~~CREDIT AMOUNT ALLOWED UNDER THIS SUBSECTION FOR GREEN TENANT SPACE~~
 23 ~~MAY NOT EXCEED, IN THE AGGREGATE, \$75~~ \$60 ~~PER SQUARE FOOT.~~

24 ~~(II)~~ ~~IF AN OWNER AND TENANT BOTH INCUR ALLOWABLE COSTS~~
 25 ~~FOR TENANT IMPROVEMENTS UNDER THIS SUBSECTION AND THE COSTS EXCEED \$75~~
 26 ~~\$60 IN THE AGGREGATE, THE OWNER HAS PRIORITY AS TO COSTS CONSTITUTING THE~~
 27 ~~BASIS FOR THE GREEN TENANT SPACE CREDIT COMPONENT UNDER THIS~~
 28 ~~SUBSECTION.~~

29 ~~(4)~~ ~~(3)~~ ~~UNLESS THE BASE BUILDING IS A GREEN BASE BUILDING, THE~~
 30 ~~CREDIT COMPONENT UNDER THIS SECTION SUBSECTION FOR GREEN TENANT SPACE~~
 31 ~~MAY NOT BE CLAIMED BY AN OWNER OF THE BUILDING OR BY A TENANT A BUILDING~~
 32 ~~THAT OCCUPIES FEWER THAN 10,000 SQUARE FEET OF THE BUILDING.~~

33 ~~(4)~~ ~~THE CREDIT UNDER THIS SUBSECTION FOR GREEN TENANT SPACE~~
 34 ~~MAY NOT BE CLAIMED BY A TENANT THAT OCCUPIES FEWER THAN 5,000 SQUARE~~
 35 ~~FEET.~~

36 ~~(G)~~ ~~(F)~~ ~~(1)~~ ~~THE CREDIT ALLOWED UNDER THIS SECTION INCLUDES AN~~
 37 ~~AMOUNT EQUAL TO~~ FOR THE TAXABLE YEAR THAT IS THE CREDIT ALLOWANCE YEAR,
 38 AN OWNER OR TENANT MAY CLAIM A CREDIT IN ~~THE AMOUNT DETERMINED UNDER~~

1 THIS SUBSECTION FOR THE INSTALLATION OF A FUEL CELL THAT IS A QUALIFYING
2 ALTERNATE ENERGY SOURCE AND IS INSTALLED TO SERVE A GREEN WHOLE
3 BUILDING, GREEN BASE BUILDING, OR GREEN TENANT SPACE.

4 (2) THE AMOUNT OF THE CREDIT ALLOWED UNDER THIS SUBSECTION IS
5 ~~6%~~ 30% OF THE SUM OF THE CAPITALIZED COSTS PAID OR INCURRED BY AN OWNER
6 OR TENANT WITH RESPECT TO EACH FUEL CELL INSTALLED, INCLUDING THE COST
7 OF THE FOUNDATION OR PLATFORM AND THE LABOR COSTS ASSOCIATED WITH
8 INSTALLATION.

9 (3) THE COSTS USED TO DETERMINE THE CREDIT AMOUNT ALLOWED
10 UNDER THIS SUBSECTION FOR INSTALLATION OF A FUEL CELL:

11 (I) MAY NOT EXCEED \$1,000 PER KILOWATT OF INSTALLED DC
12 RATED CAPACITY OF THE FUEL CELL; AND

13 (II) SHALL BE REDUCED BY THE AMOUNT OF ANY FEDERAL, STATE,
14 OR LOCAL GRANT:

15 1. RECEIVED BY THE TAXPAYER AND USED FOR THE
16 PURCHASE OR INSTALLATION OF THE FUEL CELL; AND

17 2. NOT INCLUDED IN THE FEDERAL GROSS INCOME OF THE
18 TAXPAYER.

19 ~~(H)~~ (G) (1) THE CREDIT ALLOWED UNDER THIS SECTION INCLUDES AN
20 ~~AMOUNT EQUAL TO~~ THE AMOUNT DETERMINED UNDER THIS SUBSECTION FOR THE
21 INSTALLATION OF PHOTOVOLTAIC MODULES THAT CONSTITUTE A QUALIFYING
22 ALTERNATE ENERGY SOURCE AND ARE INSTALLED TO SERVE A GREEN BUILDING,
23 GREEN BASE BUILDING, OR GREEN TENANT SPACE.

24 (2) THE AMOUNT OF THE CREDIT ALLOWED UNDER THIS SUBSECTION
25 IS:

26 (I) 20% OF THE INCREMENTAL COST PAID OR INCURRED BY AN
27 OWNER OR TENANT FOR BUILDING-INTEGRATED PHOTOVOLTAIC MODULES; AND

28 (II) ~~5%~~ 25% OF THE COST OF NONBUILDING-INTEGRATED
29 PHOTOVOLTAIC MODULES, INCLUDING THE COST OF THE FOUNDATION OR
30 PLATFORM AND THE LABOR COSTS ASSOCIATED WITH INSTALLATION.

31 (3) THE COSTS USED TO DETERMINE THE CREDIT AMOUNT ALLOWED
32 UNDER THIS SUBSECTION FOR INSTALLATION OF PHOTOVOLTAIC MODULES:

33 (I) MAY NOT EXCEED THE PRODUCT OBTAINED BY MULTIPLYING
34 \$3 TIMES THE NUMBER OF WATTS INCLUDED IN THE DC RATED CAPACITY OF THE
35 PHOTOVOLTAIC MODULES; AND

36 (II) SHALL BE REDUCED BY THE AMOUNT OF ANY FEDERAL, STATE,
37 OR LOCAL GRANT:

1 1. RECEIVED BY THE TAXPAYER AND USED FOR THE
2 PURCHASE OR INSTALLATION OF THE PHOTOVOLTAIC EQUIPMENT; AND

3 2. NOT INCLUDED IN THE FEDERAL GROSS INCOME OF THE
4 TAXPAYER.

5 (4) A CREDIT MAY NOT BE CLAIMED UNDER THIS SUBSECTION FOR THE
6 INSTALLATION OF PHOTOVOLTAIC MODULES IF THE CREDIT UNDER § 10-719 OF THIS
7 SUBTITLE IS CLAIMED WITH RESPECT TO THE PHOTOVOLTAIC MODULES.

8 ~~(F)~~ (H) (1) ~~THE CREDIT ALLOWED UNDER THIS SECTION INCLUDES AN~~
9 ~~AMOUNT EQUAL TO~~ FOR THE TAXABLE YEAR THAT IS THE CREDIT ALLOWANCE YEAR,
10 AN OWNER OR TENANT MAY CLAIM A CREDIT IN THE AMOUNT DETERMINED UNDER
11 PARAGRAPH (2) OF THIS SUBSECTION FOR THE INSTALLATION OF A WIND TURBINE
12 THAT IS A QUALIFYING ALTERNATIVE ENERGY SOURCE AND IS INSTALLED TO SERVE
13 A GREEN WHOLE BUILDING, GREEN BASE BUILDING, OR GREEN TENANT SPACE.

14 (2) THE AMOUNT OF THE CREDIT ALLOWED UNDER THIS SUBSECTION IS
15 ~~5%~~ 25% OF THE SUM OF THE CAPITALIZED COSTS PAID OR INCURRED BY AN OWNER
16 OR TENANT WITH RESPECT TO EACH WIND TURBINE INSTALLED, INCLUDING THE
17 COST OF THE FOUNDATION OR PLATFORM AND THE LABOR COSTS ASSOCIATED WITH
18 INSTALLATION.

19 ~~(F)~~ (I) (1) BY REGULATION, THE ADMINISTRATION SHALL ADOPT
20 STANDARDS FOR A BUILDING TO QUALIFY AS A GREEN BASE BUILDING ELIGIBLE FOR
21 THE TAX CREDITS UNDER THIS SECTION, A BASE BUILDING SHALL MEET THE
22 REQUIREMENTS OF THIS SUBSECTION THAT ARE CONSISTENT WITH THE CRITERIA
23 FOR GREEN BASE BUILDINGS SET FORTH BY THE UNITED STATES GREEN BUILDING
24 COUNCIL OR OTHER SIMILAR CRITERIA.

25 (2) THE REGULATIONS ADOPTED UNDER THIS SUBSECTION SHALL
26 PROVIDE THAT THE ENERGY USE SHALL BE NO MORE THAN 65% FOR NEW
27 CONSTRUCTION OF A BASE BUILDING, OR 75% IN THE CASE OF REHABILITATION OF A
28 BASE BUILDING, OF THE ENERGY USE ATTRIBUTABLE TO A REFERENCE BUILDING
29 WHICH MEETS THE REQUIREMENTS OF APPLICABLE ENERGY EFFICIENCY
30 STANDARDS.

31 ~~(2)~~ ~~(F)~~ ~~ENERGY USE SHALL BE NO MORE THAN 65% FOR NEW~~
32 ~~CONSTRUCTION OF A BASE BUILDING, OR 75% IN THE CASE OF REHABILITATION OF A~~
33 ~~BASE BUILDING, OF THE ENERGY USE ATTRIBUTABLE TO A REFERENCE BUILDING~~
34 ~~WHICH MEETS THE REQUIREMENTS OF APPLICABLE ENERGY EFFICIENCY~~
35 ~~STANDARDS.~~

36 ~~(H)~~ ~~ALL APPLIANCES AND ANY HEATING, COOLING, AND WATER~~
37 ~~HEATING EQUIPMENT USED IN THE BASE BUILDING SHALL MEET APPLICABLE~~
38 ~~ENERGY EFFICIENCY STANDARDS.~~

39 ~~(3)~~ ~~(F)~~ 1. ~~THE BASE BUILDING SHALL COMPLY WITH ALL~~
40 ~~APPLICABLE ZONING, LAND USE, AND EROSION CONTROL REQUIREMENTS,~~

1 (6) (I) A LICENSED ENGINEER, CERTIFIED INDUSTRIAL HYGIENIST,
2 ~~OR OTHER LICENSED OR CERTIFIED PROFESSIONAL APPROVED BY THE SECRETARY~~
3 ~~OF THE ENVIRONMENT, SHALL CONDUCT INDOOR AIR QUALITY TESTING WITH~~
4 ~~RESPECT TO THE ENTIRE BUILDING IMMEDIATELY FOLLOWING OCCUPANCY AND ON~~
5 ~~AN ANNUAL BASIS, IN EACH OF THE 4 SUCCESSIVE YEARS THEREAFTER, TO MONITOR~~
6 ~~SUPPLY AND RETURN AIR AND AMBIENT AIR FOR CARBON MONOXIDE, CARBON~~
7 ~~DIOXIDE, TOTAL VOLATILE ORGANIC COMPOUNDS, RADON, AND PARTICULATE~~
8 ~~MATTER.~~

9 (H) AFTER RADON MEASUREMENTS HAVE BEEN FOUND TO BE
10 ~~SATISFACTORY, SUBSEQUENT ANNUAL TESTING FOR RADON IS NOT REQUIRED~~
11 ~~UNDER THIS PARAGRAPH.~~

12 (7) THE MECHANICAL PLANT OF THE BUILDING SHALL BE
13 ~~COMMISSIONED IN ACCORDANCE WITH THE STANDARDS ESTABLISHED IN~~
14 ~~REGULATIONS ADOPTED BY THE ADMINISTRATION, IN CONSULTATION WITH THE~~
15 ~~DEPARTMENT OF THE ENVIRONMENT, WHICH STANDARDS SHALL BE INFORMED BY~~
16 ~~DOCUMENTS SUCH AS THE AMERICAN SOCIETY OF HEATING, REFRIGERATING AND~~
17 ~~AIR CONDITIONING ENGINEERS ASHRAE G-1 AND THE UNITED STATES GENERAL~~
18 ~~SERVICES ADMINISTRATION "MODEL COMMISSIONING PLAN AND GUIDE~~
19 ~~SPECIFICATIONS".~~

20 (8) SEPARATE WASTE DISPOSAL CHUTES OR A CAROUSEL COMPACTOR
21 ~~SYSTEM FOR RECYCLABLE MATERIALS SHALL BE PROVIDED FOR THE RECYCLING OF~~
22 ~~WASTE BY OCCUPANTS, OR RECYCLING SHALL BE OTHERWISE FACILITATED BY, AT A~~
23 ~~MINIMUM, PROVIDING A READILY ACCESSIBLE DESIGNATED COLLECTION AREA OR~~
24 ~~AREAS WITH SUFFICIENT SPACE TO STORE RECYCLABLE MATERIALS SEPARATELY~~
25 ~~BETWEEN COLLECTION DATES.~~

26 (9) PRIOR TO INITIAL OCCUPANCY AND ON REQUEST, THE OWNER OF
27 ~~THE BUILDING SHALL PROVIDE EACH TENANT WITH:~~

28 (I) WRITTEN NOTIFICATION OF THE OPPORTUNITY TO APPLY FOR
29 ~~A TAX CREDIT UNDER THIS SECTION; AND~~

30 (II) WRITTEN GUIDELINES REGARDING OPPORTUNITIES TO
31 ~~IMPROVE THE ENERGY EFFICIENCY AND AIR QUALITY OF TENANT SPACE AND TO~~
32 ~~REDUCE AND RECYCLE WASTE STREAMS.~~

33 (10) ALL NEWLY PURCHASED BUILDING MATERIALS, FINISHES, AND
34 ~~FURNISHINGS USED IN THE BASE BUILDING THAT ARE SUBJECT TO THE~~
35 ~~REGULATIONS ADOPTED BY THE DEPARTMENT OF THE ENVIRONMENT, IN~~
36 ~~CONSULTATION WITH THE DEPARTMENT OF HEALTH AND MENTAL HYGIENE, UNDER~~
37 ~~SUBSECTION (N) OF THIS SECTION, SHALL MEET THE STANDARDS ESTABLISHED BY~~
38 ~~THOSE REGULATIONS IN EFFECT AT THE TIME THE BUILDING OR REHABILITATION~~
39 ~~IS PLACED IN SERVICE.~~

40 (11) ALL TENANT SPACE IN THE BUILDING OCCUPIED BY THE OWNER
41 ~~MUST BE GREEN TENANT SPACE.~~

1 ~~(K)~~ (J) (1) BY REGULATION, THE ADMINISTRATION SHALL ADOPT
2 STANDARDS FOR TENANT SPACE TO QUALIFY AS GREEN TENANT SPACE ELIGIBLE
3 FOR THE TAX CREDIT CREDITS UNDER THIS SECTION, TENANT SPACE SHALL MEET
4 THE REQUIREMENTS OF THIS SUBSECTION THAT ARE CONSISTENT WITH THE
5 CRITERIA FOR GREEN TENANT SPACE SET FORTH BY THE UNITED STATES GREEN
6 BUILDING COUNCIL OR OTHER SIMILAR CRITERIA.

7 (2) THE REGULATIONS ADOPTED UNDER THIS SUBSECTION SHALL
8 PROVIDE THAT THE ENERGY USE SHALL BE NO MORE THAN 65% FOR NEW
9 CONSTRUCTION, OR 75% IN THE CASE OF REHABILITATION, OF THE ENERGY USE
10 ATTRIBUTABLE TO A REFERENCE BUILDING WHICH MEETS THE REQUIREMENTS OF
11 APPLICABLE ENERGY EFFICIENCY STANDARDS.

12 ~~(2)~~ (H) ENERGY USE FOR TENANT SPACE SHALL BE NO MORE THAN
13 65% IN THE CASE OF NEW CONSTRUCTION, OR 75% IN THE CASE OF REHABILITATION,
14 OF THE ENERGY USE ATTRIBUTABLE TO A REFERENCE EXAMPLE OF TENANT SPACE
15 CONSTRUCTION OR REHABILITATION WHICH MEETS THE REQUIREMENTS OF THE
16 APPLICABLE ENERGY EFFICIENCY STANDARDS.

17 (H) ALL APPLIANCES AND ANY HEATING, COOLING, AND WATER
18 HEATING EQUIPMENT USED IN THE TENANT SPACE SHALL MEET APPLICABLE
19 ENERGY EFFICIENCY STANDARDS.

20 (3) (I) THE TENANT SPACE SHALL COMPLY WITH ALL APPLICABLE
21 BUILDING CODE REQUIREMENTS AND ENVIRONMENTAL REGULATIONS AND, WITH
22 RESPECT TO PROJECTS OTHER THAN NEW CONSTRUCTION, ALL EXISTING
23 ENVIRONMENTAL HAZARDS SHALL BE IDENTIFIED AND MANAGED IN ACCORDANCE
24 WITH APPLICABLE LAWS, REGULATIONS, AND INDUSTRY GUIDELINES.

25 (H) IN THE CASE OF BUILDINGS PRIMARILY USED FOR
26 NONRESIDENTIAL PURPOSES, VENTILATION AND EXCHANGE OF INDOOR AND
27 OUTDOOR AIR SHALL MEET THE STANDARDS ESTABLISHED IN REGULATIONS
28 ADOPTED BY THE DEPARTMENT OF THE ENVIRONMENT, IN CONSULTATION WITH
29 THE DEPARTMENT OF HEALTH AND MENTAL HYGIENE.

30 (III) FOR BUILDINGS IN WHICH SMOKING IS PERMITTED, THE
31 TAXPAYER SHALL ENSURE THAT, IF SMOKING IS PERMITTED IN THE TENANT SPACE,
32 IT IS PERMITTED ONLY IN AREAS IN WHICH THE AIR VENTILATION AND
33 CIRCULATION IS SEPARATE FROM THAT FOR NONSMOKING AREAS.

34 (4) THE VENTILATION SYSTEM COMPONENTS AND PATHWAYS:

35 (I) SHALL BE PROTECTED DURING CONSTRUCTION OR
36 REHABILITATION FROM CONTAMINATION IN ACCORDANCE WITH AN INDOOR AIR
37 QUALITY MANAGEMENT PLAN FOR THE CONSTRUCTION OR REHABILITATION
38 PROCESS THAT MEETS THE STANDARDS ESTABLISHED IN REGULATIONS ADOPTED
39 BY THE DEPARTMENT OF THE ENVIRONMENT, IN CONSULTATION WITH THE
40 DEPARTMENT OF HEALTH AND MENTAL HYGIENE, UNDER SUBSECTION (N) OF THIS
41 SECTION; OR

1 ~~(H)~~ ~~SHALL BE CLEANED PRIOR TO OCCUPANCY.~~

2 (5) ~~(I)~~ ~~A LICENSED ENGINEER, CERTIFIED INDUSTRIAL HYGIENIST,~~
3 ~~OR OTHER LICENSED OR CERTIFIED PROFESSIONAL APPROVED BY THE SECRETARY~~
4 ~~OF THE ENVIRONMENT, SHALL CONDUCT INDOOR AIR QUALITY TESTING WITH~~
5 ~~RESPECT TO THE TENANT SPACE IMMEDIATELY FOLLOWING OCCUPANCY AND ON~~
6 ~~AN ANNUAL BASIS, IN EACH OF THE 4 SUCCESSIVE YEARS THEREAFTER, TO MONITOR~~
7 ~~SUPPLY AND RETURN AIR AND AMBIENT AIR FOR CARBON MONOXIDE, CARBON~~
8 ~~DIOXIDE, TOTAL VOLATILE ORGANIC COMPOUNDS, RADON, AND PARTICULATE~~
9 ~~MATTER.~~

10 ~~(H)~~ ~~AFTER RADON MEASUREMENTS HAVE BEEN FOUND TO BE~~
11 ~~SATISFACTORY, SUBSEQUENT ANNUAL TESTING FOR RADON IS NOT REQUIRED~~
12 ~~UNDER THIS PARAGRAPH.~~

13 (6) ~~ALL NEWLY PURCHASED BUILDING MATERIALS, FINISHES, AND~~
14 ~~FURNISHINGS USED IN THE TENANT SPACE THAT ARE SUBJECT TO THE~~
15 ~~REGULATIONS ADOPTED BY THE DEPARTMENT OF THE ENVIRONMENT, IN~~
16 ~~CONSULTATION WITH THE DEPARTMENT OF HEALTH AND MENTAL HYGIENE, UNDER~~
17 ~~SUBSECTION (N) OF THIS SECTION SHALL MEET THE STANDARDS ESTABLISHED BY~~
18 ~~THOSE REGULATIONS IN EFFECT AT THE TIME THE IMPROVEMENTS WITH RESPECT~~
19 ~~TO WHICH THE CREDIT UNDER THIS SECTION IS CLAIMED IS PLACED IN SERVICE.~~

20 ~~(L)~~ ~~(K)~~ (1) (I) ON APPLICATION BY A TAXPAYER, THE ADMINISTRATION
21 SHALL ISSUE AN INITIAL CREDIT ~~COMPONENT~~ CERTIFICATE IF THE TAXPAYER HAS
22 MADE A SHOWING THAT THE TAXPAYER IS LIKELY WITHIN A REASONABLE TIME TO
23 PLACE IN SERVICE PROPERTY FOR WHICH A CREDIT UNDER THIS SECTION WOULD
24 BE ALLOWED.

25 (II) THE INITIAL CREDIT ~~COMPONENT~~ CERTIFICATE ISSUED
26 UNDER THIS PARAGRAPH:

27 1. SHALL STATE THE ~~FIRST~~ EARLIEST TAXABLE YEAR FOR
28 WHICH THE CREDIT MAY BE CLAIMED AND AN EXPIRATION DATE; AND

29 2. SHALL APPLY ONLY TO PROPERTY PLACED IN SERVICE ON
30 OR BEFORE THE EXPIRATION DATE.

31 (III) TO AVOID UNWARRANTED HARDSHIP, THE ADMINISTRATION AT
32 ITS DISCRETION MAY EXTEND THE EXPIRATION DATE STATED UNDER AN INITIAL
33 CREDIT ~~COMPONENT~~ CERTIFICATE.

34 (IV) THE INITIAL CREDIT ~~COMPONENT~~ CERTIFICATE SHALL STATE
35 THE MAXIMUM AMOUNT OF CREDIT ~~COMPONENT~~ ALLOWABLE IN THE AGGREGATE
36 FOR ~~THE 5 TAXABLE YEARS FOR WHICH THE CREDIT COMPONENT IS ALLOWED~~ ALL
37 CREDITS ALLOWED UNDER THIS SECTION.

38 (V) THE ADMINISTRATION MAY NOT ISSUE INITIAL CREDIT
39 ~~COMPONENT~~ CERTIFICATES, IN THE AGGREGATE, FOR MORE THAN \$25,000,000
40 WORTH OF ~~CREDIT COMPONENTS~~ CREDITS.

1 (VI) EXCEPT AS PROVIDED IN SUBPARAGRAPH (VII) OF THIS
2 PARAGRAPH, INITIAL CREDIT ~~COMPONENT~~ CERTIFICATES SHALL BE LIMITED IN
3 THEIR APPLICABILITY, AS FOLLOWS:

4 CREDIT COMPONENTS CREDITS	
5 IN THE AGGREGATE MAY NOT BE	WITH RESPECT TO TAXABLE
6 ALLOWED FOR MORE THAN:	YEARS BEGINNING
7 \$1 MILLION	2002 2003
8 \$2 MILLION	2003 2004
9 \$3 MILLION	2004 2005
10 \$4 MILLION	2005 2006
11 \$5 MILLION	2006 2007
12 \$4 MILLION	2007 2008
13 \$3 MILLION	2008 2009
14 \$2 MILLION	2009 2010
15 \$1 MILLION	2010 2011

16 (VII) AS OF THE END OF A CALENDAR YEAR, IF CERTIFICATES FOR
17 CREDIT ~~COMPONENT~~ AMOUNTS TOTALING LESS THAN THE AMOUNT PERMITTED
18 WITH RESPECT TO TAXABLE YEARS BEGINNING IN THAT CALENDAR YEAR HAVE
19 BEEN ISSUED, THE MAXIMUM AMOUNT THAT MAY BE ALLOWED FOR TAXABLE YEARS
20 BEGINNING IN THE SUBSEQUENT CALENDAR YEAR SHALL BE INCREASED BY THE
21 AMOUNT OF THE PRECEDING YEAR'S SHORTFALL.

22 (VIII) THE ADMINISTRATION MAY NOT ISSUE AN INITIAL CREDIT
23 ~~COMPONENT~~ CERTIFICATE AFTER DECEMBER 31, ~~2005~~ 2011.

24 (IX) ON JANUARY 1, 2004, AND EACH YEAR THEREAFTER, THE
25 ADMINISTRATION SHALL PROVIDE TO THE COMPTROLLER A LIST OF ALL TAXPAYERS
26 IN THE PRIOR TAXABLE YEAR THAT HAVE BEEN ISSUED AN INITIAL CREDIT
27 CERTIFICATE AND SHALL SPECIFY FOR EACH TAXPAYER THE EARLIEST TAXABLE
28 YEAR FOR WHICH THE CREDIT MAY BE CLAIMED AND THE MAXIMUM AMOUNT OF
29 THE CREDIT ALLOWABLE IN THE AGGREGATE FOR ALL CREDITS ALLOWED UNDER
30 THIS SECTION.

31 (2) (I) FOR EACH TAXABLE YEAR FOR WHICH A TAXPAYER CLAIMS A
32 CREDIT UNDER THIS SECTION WITH RESPECT TO A GREEN WHOLE BUILDING, GREEN
33 BASE BUILDING, GREEN TENANT SPACE, FUEL CELL, PHOTOVOLTAIC MODULES, OR
34 WIND TURBINE, THE TAXPAYER SHALL OBTAIN AN ELIGIBILITY CERTIFICATE FROM
35 AN ARCHITECT OR PROFESSIONAL ENGINEER LICENSED TO PRACTICE IN THIS
36 STATE.

37 (II) AN ELIGIBILITY CERTIFICATE ISSUED UNDER THIS PARAGRAPH
38 SHALL CONSIST OF A CERTIFICATION, UNDER THE SEAL OF THE ARCHITECT OR
39 ENGINEER, THAT THE PROPERTY THAT IS THE BASIS FOR THE CREDIT THAT IS
40 CLAIMED ~~REMAINS~~ IS IN SERVICE AND THAT:

41 1. THE BUILDING, BASE BUILDING, OR TENANT SPACE WITH
42 RESPECT TO WHICH THE CREDIT IS CLAIMED IS A GREEN WHOLE BUILDING, GREEN
43 BASE BUILDING, OR GREEN TENANT SPACE; AND

1 (V) ALL WRITTEN NOTIFICATION OF TENANTS AND REQUESTS TO
2 REMEDY ANY INDOOR AIR QUALITY PROBLEMS;

3 (VI) INITIAL AND ANNUAL (BY MONTH) RESULTS OF VALIDATION OF
4 PERFORMANCE OF PHOTOVOLTAIC MODULES, WIND TURBINES, AND FUEL CELLS;
5 AND

6 (VII) CERTIFICATIONS AS TO OFF GASSING AND OTHER
7 CONTAMINATION, AS REQUIRED IN SUBSECTION (J)(3) OF THIS SECTION, WHERE
8 APPLICABLE.

9 (2) (4) EACH TAXPAYER SHALL PROVIDE THE ADMINISTRATION THE
10 INFORMATION DESCRIBED IN PARAGRAPH (1) OF THIS SUBSECTION, IN THE FORM
11 AND AT THE TIME REQUIRED BY THE ADMINISTRATION.

12 (II) THE ADMINISTRATION SHALL DETERMINE THE TIMES FOR
13 FILING THE INFORMATION REQUIRED UNDER SUBPARAGRAPH (1) OF THIS
14 PARAGRAPH IN CONSULTATION WITH THE COMPTROLLER.

15 (III) THE INFORMATION REQUIRED UNDER THIS PARAGRAPH SHALL
16 BE PROVIDED TO THE ADMINISTRATION FOR EACH TAXABLE YEAR FOR WHICH THE
17 TAXPAYER CLAIMS A CREDIT UNDER THIS SECTION.

18 (3) (4) (1) THE COMPTROLLER, AND THE ADMINISTRATION, ~~AND THE~~
19 ~~SECRETARY OF THE ENVIRONMENT~~ MAY ADOPT REGULATIONS NECESSARY TO
20 CARRY OUT THE PROVISIONS OF THIS SECTION.

21 (II) REGULATIONS ADOPTED UNDER THIS SECTION SHALL
22 CONSTRUE THE PROVISIONS OF THIS SECTION IN SUCH A MANNER AS TO
23 ENCOURAGE THE DEVELOPMENT OF GREEN WHOLE BUILDINGS, GREEN BASE
24 BUILDINGS, AND GREEN TENANT SPACE AND TO MAINTAIN HIGH BUT
25 COMMERCIALY REASONABLE STANDARDS FOR OBTAINING TAX CREDITS UNDER
26 THIS SECTION.

27 (4) (5) ON OR BEFORE APRIL 1, ~~2009~~ 2005, THE COMPTROLLER AND THE
28 ADMINISTRATION, JOINTLY AND IN CONSULTATION WITH THE DEPARTMENT OF THE
29 ENVIRONMENT, SHALL SUBMIT TO THE GOVERNOR AND, SUBJECT TO § 2-1246 OF
30 THE STATE GOVERNMENT ARTICLE, TO THE GENERAL ASSEMBLY, A WRITTEN
31 REPORT REGARDING:

32 (I) THE NUMBER OF CERTIFICATIONS AND TAXPAYERS CLAIMING
33 THE CREDIT UNDER THIS SECTION;

34 (II) THE AMOUNT OF THE CREDITS CLAIMED;

35 (III) THE GEOGRAPHICAL DISTRIBUTION OF THE CREDITS CLAIMED;
36 AND

37 (IV) ANY OTHER AVAILABLE INFORMATION THE ADMINISTRATION
38 DETERMINES TO BE MEANINGFUL AND APPROPRIATE.

1 (5) (6) THE COMPTROLLER AND THE ADMINISTRATION SHALL ENSURE
2 THAT THE INFORMATION IS PRESENTED AND CLASSIFIED IN A MANNER CONSISTENT
3 WITH THE CONFIDENTIALITY OF TAX RETURN INFORMATION.

4 (6) (4) ~~THE ADMINISTRATION SHALL MAKE RECOMMENDATIONS~~
5 ~~REGARDING THE ESTABLISHMENT OF A PERMANENT GREEN BUILDING TAX CREDIT~~
6 ~~PROGRAM.~~

7 (4) ~~RECOMMENDATIONS MAY INCLUDE METHODS TO ENHANCE~~
8 ~~THE EFFECTIVENESS, SIMPLICITY, OR OTHER ASPECTS OF THE PROGRAM.~~

9 (N) (L) (+) ON OR BEFORE ~~DECEMBER 1, 2004~~ JULY 1, 2002, THE
10 ADMINISTRATION, IN CONSULTATION WITH THE DEPARTMENT OF THE
11 ENVIRONMENT, SHALL ADOPT ~~THE FOLLOWING~~ REGULATIONS WITH RESPECT TO
12 BASE BUILDINGS: THE CERTIFICATION OF GREEN WHOLE BUILDINGS, GREEN BASE
13 BUILDINGS, AND GREEN TENANT SPACE THAT ARE CONSISTENT WITH CRITERIA SET
14 FORTH BY THE STATE'S GREEN BUILDINGS COUNCIL OR OTHER SIMILAR CRITERIA
15 FOR:

16 (1) ENERGY USE;

17 (2) APPLIANCE AND HEATING, COOLING, AND HOT WATER EQUIPMENT
18 STANDARDS;

19 (3) AIR CONDITIONING EQUIPMENT, INCLUDING CHILLERS;

20 (4) BUILDING MATERIALS, FINISHES, AND FURNISHINGS;

21 (5) STORMWATER RUNOFF FOR NEW CONSTRUCTION;

22 (6) WATER CONSERVATION AND EFFICIENCY; AND

23 (7) INDOOR AIR QUALITY, IN CONSULTATION WITH THE DEPARTMENT
24 OF HEALTH AND MENTAL HYGIENE.

25 (4) ~~REGULATIONS ESTABLISHING STANDARDS FOR ENERGY USE~~
26 ~~FOR ELIGIBLE BUILDINGS, CONSISTENT WITH SUBSECTION (J)(2) OF THIS SECTION,~~
27 ~~TO BE REVIEWED AND UPDATED AT LEAST EVERY 2 YEARS;~~

28 (4) ~~REGULATIONS ESTABLISHING STANDARDS FOR APPLIANCES~~
29 ~~AND HEATING, COOLING, AND WATER HEATING EQUIPMENT THAT, AS OF JULY 1,~~
30 ~~2001, WERE COVERED BY SPECIFICATIONS FROM ORGANIZATIONS SUCH AS THE~~
31 ~~UNITED STATES DEPARTMENT OF ENERGY OR THE ENVIRONMENTAL PROTECTION~~
32 ~~AGENCY, WHICH REGULATIONS SHALL BE INFORMED BY THOSE SPECIFICATIONS,~~
33 ~~AND WHICH REGULATIONS SHALL BE REVIEWED AND UPDATED AT LEAST EVERY 2~~
34 ~~YEARS;~~

35 (4) ~~REGULATIONS SPECIFYING THE METHODOLOGY BY WHICH A~~
36 ~~TAXPAYER SHALL DEMONSTRATE COMPLIANCE WITH SUBSECTION (J)(2) OF THIS~~

~~1 SECTION, TO INCLUDE, AT A MINIMUM, A REQUIREMENT TO CONDUCT HOURLY
2 COMPUTER MODELING FOR 1 FULL YEAR; AND~~

~~3 (IV) REGULATIONS ESTABLISHING STANDARDS FOR THE
4 COMMISSIONING OF BUILDINGS.~~

~~5 (2) ON OR BEFORE DECEMBER 1, 2001, THE DEPARTMENT OF THE
6 ENVIRONMENT, IN CONSULTATION WITH THE DEPARTMENT OF HEALTH AND
7 MENTAL HYGIENE, SHALL ADOPT REGULATIONS ESTABLISHING STANDARDS, WITH
8 RESPECT TO BASE BUILDINGS, FOR:~~

~~9 (I) VENTILATION AND EXCHANGE OF INDOOR AND OUTDOOR AIR;~~

~~10 (II) INDOOR AIR QUALITY MANAGEMENT PLANS FOR THE
11 CONSTRUCTION OR REHABILITATION PROCESS; AND~~

~~12 (III) INDOOR AIR QUALITY WITH RESPECT TO LEVELS OF CARBON
13 MONOXIDE, CARBON DIOXIDE AND TOTAL VOLATILE ORGANIC COMPOUNDS, RADON,
14 AND PARTICULATE MATTER.~~

~~15 (3) (I) IN THIS PARAGRAPH, "BUILDING MATERIALS, FINISHES, AND
16 FURNISHINGS" INCLUDES:~~

~~17 1. CONCRETE AND CONCRETE MASONRY UNITS;~~

~~18 2. WOOD AND WOOD PRODUCTS;~~

~~19 3. MILLWORK SUBSTRATES;~~

~~20 4. INSULATION;~~

~~21 5. CERAMIC, CERAMIC/GLASS, AND CEMENTITIOUS TILES;~~

~~22 6. CEILING TILES AND PANELS;~~

~~23 7. FLOORING AND CARPET;~~

~~24 8. PAINTS, COATINGS, SEALANTS, AND ADHESIVES; AND~~

~~25 9. FURNITURE.~~

~~26 (II) ON OR BEFORE DECEMBER 1, 2001, THE DEPARTMENT OF THE
27 ENVIRONMENT, IN CONSULTATION WITH THE ADMINISTRATION, SHALL ADOPT THE
28 FOLLOWING, WITH RESPECT TO BASE BUILDINGS:~~

~~29 1. REGULATIONS ESTABLISHING STANDARDS FOR BUILDING
30 MATERIALS, FINISHES, AND FURNISHINGS REGARDING MINIMUM PERCENTAGES OF
31 RECYCLED CONTENT AND RENEWABLE SOURCE MATERIAL AND MAXIMUM LEVELS
32 OF TOXICITY AND VOLATILE ORGANIC COMPOUNDS AND ANY OTHER STANDARDS
33 THAT THE DEPARTMENT DETERMINES APPROPRIATE, WHICH REGULATIONS SHALL
34 BE INFORMED BY THE LEADERSHIP IN ENERGY AND ENVIRONMENTAL DESIGN~~

