
By: **Delegates Walkup and Rzepkowski**
Introduced and read first time: February 8, 2002
Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Income Tax Credit - Wind Energy Systems**

3 FOR the purpose of allowing an individual or a corporation to claim a credit against
4 the State income tax for the costs of certain wind energy systems placed in
5 service during the taxable year; providing for certain limitations; and generally
6 relating to a State income tax credit for the costs of certain wind energy systems.

7 BY repealing and reenacting, with amendments,
8 Article - Tax - General
9 Section 10-722(h)
10 Annotated Code of Maryland
11 (1997 Replacement Volume and 2001 Supplement)

12 BY adding to
13 Article - Tax - General
14 Section 10-724
15 Annotated Code of Maryland
16 (1997 Replacement Volume and 2001 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 (h) (1) For the taxable year that is the credit allowance year, an owner or
22 tenant may claim a credit in the amount determined under paragraph (2) of this
23 subsection for the installation of a wind turbine that is a qualifying alternate energy
24 source and is installed to serve a green whole building, green base building, or green
25 tenant space.

26 (2) The amount of the credit allowed under this subsection is 25% of the
27 sum of the capitalized costs paid or incurred by an owner or tenant with respect to

1 each wind turbine installed, including the cost of the foundation or platform and the
2 labor costs associated with installation.

3 (3) A CREDIT MAY NOT BE CLAIMED UNDER THIS SUBSECTION FOR THE
4 INSTALLATION OF WIND TURBINES IF THE CREDIT UNDER § 10-724 OF THIS
5 SUBTITLE IS CLAIMED WITH RESPECT TO THE WIND TURBINES.

6 10-724.

7 (A) IN THIS SECTION:

8 (1) "WIND ENERGY SYSTEM" MEANS EQUIPMENT THAT USES WIND
9 ENERGY TO GENERATE MECHANICAL POWER OR ELECTRICITY; AND

10 (2) "WIND ENERGY SYSTEM" INCLUDES WIND TURBINES, TOWERS,
11 WIRING, CONTROLLERS, INVERTERS, AND BATTERIES.

12 (B) AN INDIVIDUAL OR A CORPORATION MAY CLAIM A CREDIT AGAINST THE
13 STATE INCOME TAX FOR A TAXABLE YEAR AS PROVIDED IN THIS SECTION FOR THE
14 COSTS OF WIND ENERGY SYSTEMS PLACED IN SERVICE DURING THE TAXABLE YEAR.

15 (C) (1) SUBJECT TO THE LIMITATIONS UNDER PARAGRAPH (2) OF THIS
16 SUBSECTION, THE CREDIT ALLOWED UNDER THIS SECTION INCLUDES 15% OF THE
17 TOTAL INSTALLED COST OF WIND ENERGY SYSTEMS.

18 (2) THE CREDIT ALLOWED UNDER THIS SUBSECTION MAY NOT EXCEED
19 \$2,000 FOR EACH SYSTEM.

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

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

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

31 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
32 July 1, 2002 and shall apply to all taxable years beginning December 31, 2001.