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By: **Delegates Cardin, Benson, Bobo, Cluster, Feldman, Frush, Gilleland,  
Glassman, Holmes, Hubbard, Lawton, McConkey, Montgomery,  
Ramirez, and Ross**

Introduced and read first time: February 8, 2006

Assigned to: Ways and Means

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A BILL ENTITLED

1 AN ACT concerning

2 **Excise Tax - Tax-Free Period for Purchase of Advanced Technology Vehicles**

3 FOR the purpose of designating a certain period of a certain year during which the  
4 purchase of certain advanced technology vehicles is exempt from the vehicle  
5 excise tax; requiring the Maryland Energy Administration to assist the Motor  
6 Vehicle Administration to administer the excise tax exemption; requiring a  
7 certain report; defining certain terms; and generally relating to vehicle excise  
8 tax exemptions.

9 BY adding to  
10 Article - Transportation  
11 Section 13-816  
12 Annotated Code of Maryland  
13 (2002 Replacement Volume and 2005 Supplement)

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

16 **Article - Transportation**

17 13-816.

18 (A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS  
19 INDICATED.

20 (2) "ADVANCED TECHNOLOGY VEHICLE" MEANS A:

21 (I) QUALIFIED ADVANCED LEAN BURN TECHNOLOGY VEHICLE;

22 (II) QUALIFIED ALTERNATIVE FUEL VEHICLE;

23 (III) QUALIFIED FUEL CELL VEHICLE; OR

24 (IV) QUALIFIED HYBRID VEHICLE.

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

3 (4) "FUEL ECONOMY" HAS THE MEANING STATED IN § 4064 OF THE  
4 INTERNAL REVENUE CODE AS DETERMINED BY THE U.S. ENVIRONMENTAL  
5 PROTECTION AGENCY.

6 (5) "QUALIFIED ADVANCED LEAN BURN TECHNOLOGY VEHICLE" MEANS  
7 A PASSENGER AUTOMOBILE OR LIGHT TRUCK WITH AN INTERNAL COMBUSTION  
8 ENGINE THAT:

9 (I) IS DESIGNED TO OPERATE PRIMARILY USING MORE AIR THAN  
10 IS NECESSARY FOR COMPLETE COMBUSTION OF THE FUEL; AND

11 (II) INCORPORATES DIRECT INJECTION TECHNOLOGY.

12 (6) "QUALIFIED ALTERNATIVE FUEL VEHICLE" MEANS A MOTOR  
13 VEHICLE THAT IS PROPELLED BY COMPRESSED NATURAL GAS, LIQUEFIED NATURAL  
14 GAS, LIQUEFIED PETROLEUM GAS, HYDROGEN, OR ANY LIQUID OF WHICH AT LEAST  
15 85% OF THE VOLUME CONSISTS OF METHANOL.

16 (7) "QUALIFIED FUEL CELL VEHICLE" MEANS A MOTOR VEHICLE THAT  
17 IS PROPELLED BY POWER DERIVED FROM ONE OR MORE CELLS THAT CONVERT  
18 CHEMICAL ENERGY DIRECTLY INTO ELECTRICITY BY COMBINING OXYGEN WITH  
19 HYDROGEN FUEL THAT:

20 (I) IS STORED ON BOARD THE VEHICLE IN ANY FORM; AND

21 (II) MAY OR MAY NOT REQUIRE REFORMATION PRIOR TO USE.

22 (8) "QUALIFIED HYBRID VEHICLE" MEANS AN AUTOMOBILE THAT:

23 (I) MEETS ALL APPLICABLE REGULATORY REQUIREMENTS;

24 (II) MEETS THE CURRENT VEHICLE EXHAUST STANDARD SET  
25 UNDER THE FEDERAL TIER 2 PROGRAM FOR GASOLINE-POWERED PASSENGER CARS  
26 UNDER 40 C.F.R. PART 80 ET SEQ.;

27 (III) CAN DRAW PROPULSION ENERGY FROM BOTH OF THE  
28 FOLLOWING ONBOARD SOURCES OF STORED ENERGY:

29 1. GASOLINE OR DIESEL FUEL; AND

30 2. A RECHARGEABLE ENERGY STORAGE SYSTEM; AND

31 (IV) HAS A FUEL ECONOMY RATING:

32 1. OF GREATER THAN 45 MILES PER GALLON, FOR AN  
33 AUTOMOBILE WITH A MANUFACTURER'S SHIPPING WEIGHT OF 3,700 POUNDS OR  
34 LESS; AND

1                                 2.            OF GREATER THAN 30 MILES PER GALLON, FOR AN  
2 AUTOMOBILE WITH A MANUFACTURER'S SHIPPING WEIGHT OF MORE THAN 3,700  
3 POUNDS.

4       (B)       (1)       APRIL 16, 2007, THROUGH APRIL 22, 2007, SHALL BE AN EXCISE  
5 TAX-FREE PERIOD FOR THE SALE OF NEW ADVANCED TECHNOLOGY VEHICLES IN  
6 THE STATE.

7                 (2)       ON ISSUANCE IN THIS STATE OF AN ORIGINAL CERTIFICATE OF  
8 TITLE FOR A NEW ADVANCED TECHNOLOGY VEHICLE, THE VEHICLE IS EXEMPT  
9 FROM THE EXCISE TAX IMPOSED BY THIS PART, IF IT IS PURCHASED DURING THE  
10 EXCISE TAX-FREE PERIOD ESTABLISHED UNDER PARAGRAPH (1) OF THIS  
11 SUBSECTION.

12       (C)       THE MARYLAND ENERGY ADMINISTRATION SHALL ASSIST THE MOTOR  
13 VEHICLE ADMINISTRATION TO ADMINISTER THE EXCISE TAX EXEMPTION  
14 ESTABLISHED UNDER THIS SECTION.

15       (D)       ON OR BEFORE JULY 1, 2007, THE MOTOR VEHICLE ADMINISTRATION  
16 SHALL REPORT TO THE GENERAL ASSEMBLY, IN ACCORDANCE WITH § 2-1246 OF THE  
17 STATE GOVERNMENT ARTICLE, ON THE NUMBER AND TYPES OF ADVANCED  
18 TECHNOLOGY VEHICLES PURCHASED DURING THE EXCISE TAX-FREE PERIOD.

19       SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
20 October 1, 2006.