
By: **Delegates Bronrott, Cardin, Cryor, Franchot, Heller, Kaiser, King,
Lawton, Madaleno, and Marriott**

Introduced and read first time: February 9, 2006

Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Sales and Use Tax - Tax-Free Periods for the Purchase of Energy Efficient**
3 **Products**

4 FOR the purpose of providing an exemption from the sales and use tax during certain
5 periods for the sale of certain appliances and products that meet or exceed
6 certain applicable energy efficiency guidelines and certain solar water heaters;
7 repealing certain obsolete provisions; and generally relating to an exemption
8 from the sales and use tax for certain periods for the sale of certain appliances
9 and products that meet or exceed certain applicable energy efficiency guidelines
10 and certain solar water heaters.

11 BY repealing and reenacting, with amendments,
12 Article - Tax - General
13 Section 11-226
14 Annotated Code of Maryland
15 (2004 Replacement Volume and 2005 Supplement)

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

18 **Article - Tax - General**

19 11-226.

20 [(a) The sales and use tax does not apply to the sale of the following electric
21 appliances that meet or exceed the applicable Energy Star efficiency requirements
22 developed by the United States Environmental Protection Agency and the United
23 States Department of Energy:

24 (1) a clothes washer purchased on or after July 1, 2000, but before July
25 1, 2003;

26 (2) a room air conditioner purchased on or after January 1, 2001, but
27 before July 1, 2004; or

1 (3) a standard size refrigerator purchased on or after July 1, 2001, but
2 before July 1, 2004.

3 (b) The sales and use tax does not apply to the sale, on or before July 1, 2004,
4 of:

5 (1) a fuel cell that:

6 (i) generates electricity and heat using an electrochemical process;

7 (ii) has an electricity-only generation efficiency greater than 35%;
8 and

9 (iii) has a generating capacity of at least 2 kilowatts;

10 (2) a natural gas heat pump that has a coefficient of performance of at
11 least 1.25 for heating and at least 0.70 for cooling;

12 (3) an electric heat pump hot water heater that yields an energy factor of
13 at least 1.7;

14 (4) an electric heat pump that has a heating system performance factor
15 of at least 7.5 and a cooling seasonal energy efficiency ratio of at least 13.5;

16 (5) a central air conditioner that has a cooling seasonal energy efficiency
17 ratio of at least 13.5; or

18 (6) an advanced natural gas water heater that has an energy factor of at
19 least 0.65.]

20 (A) (1) IN THIS SUBSECTION, "ENERGY STAR PRODUCT" MEANS AN AIR
21 CONDITIONER, CLOTHES WASHER, FURNACE, HEAT PUMP, OR STANDARD SIZE
22 REFRIGERATOR THAT HAS BEEN DESIGNATED AS MEETING OR EXCEEDING THE
23 APPLICABLE ENERGY STAR EFFICIENCY REQUIREMENTS DEVELOPED BY THE
24 UNITED STATES ENVIRONMENTAL PROTECTION AGENCY AND THE UNITED STATES
25 DEPARTMENT OF ENERGY.

26 (2) THE PERIODS FROM OCTOBER 1, 2006 THROUGH OCTOBER 31, 2006,
27 AND APRIL 1, 2007 THROUGH APRIL 30, 2007, SHALL BE TAX-FREE PERIODS DURING
28 WHICH THE EXEMPTION UNDER PARAGRAPH (3) OF THIS SUBSECTION SHALL APPLY.

29 (3) DURING THE TAX-FREE PERIODS ESTABLISHED UNDER PARAGRAPH
30 (2) OF THIS SUBSECTION, THE SALES AND USE TAX DOES NOT APPLY TO THE SALE OF
31 ANY:

32 (I) ENERGY STAR PRODUCT; OR

33 (II) SOLAR WATER HEATER.

34 [(c)] (B) The sales and use tax does not apply to the sale of a multifuel pellet
35 stove designed to burn agricultural field corn.

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