
By: **Senators DeGrange, Brochin, Garagiola, Giannetti, Jimeno, and Klausmeier**

Introduced and read first time: February 10, 2006

Assigned to: Rules

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.; AND

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.

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

34 (2) ON ISSUANCE IN THIS STATE OF AN ORIGINAL CERTIFICATE OF
35 TITLE FOR A NEW ADVANCED TECHNOLOGY VEHICLE, THE VEHICLE IS EXEMPT

1 FROM THE EXCISE TAX IMPOSED BY THIS PART, IF IT IS PURCHASED DURING THE
2 EXCISE TAX-FREE PERIOD ESTABLISHED UNDER PARAGRAPH (1) OF THIS
3 SUBSECTION.

4 (C) THE MARYLAND ENERGY ADMINISTRATION SHALL ASSIST THE MOTOR
5 VEHICLE ADMINISTRATION TO ADMINISTER THE EXCISE TAX EXEMPTION
6 ESTABLISHED UNDER THIS SECTION.

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

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