

HOUSE BILL 76

Q3
HB 810/06 – W&M

71r0908

By: **Delegates Cardin, Barve, Bobo, Bronrott, V. Clagett, Costa, Elmore, Gilchrist, Hecht, Hixson, Ivey, Kaiser, N. King, Kipke, Krebs, Morhaim, Rice, Sophocleus, Stein, and F. Turner**

Introduced and read first time: January 22, 2007

Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Solar Energy Tax Credit**

3 FOR the purpose of establishing a period of eligibility for a credit against the State
4 income tax for certain costs of certain equipment that uses solar energy to
5 generate electricity, to heat or cool a structure or provide hot water for use in a
6 structure, or to provide solar process heat; providing for the amount of the
7 credit; prohibiting the use of the credit under certain circumstances; providing
8 for the application of this Act; and generally relating to a State income tax
9 credit for certain equipment using solar energy.

10 BY repealing and reenacting, with amendments,
11 Article – Tax – General
12 Section 10–719
13 Annotated Code of Maryland
14 (2004 Replacement Volume and 2006 Supplement)

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

17 **Article – Tax – General**

18 10–719.

19 (a) (1) In this section the following words have the meanings indicated.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



(2) "Photovoltaic property" means solar energy property that uses a solar photovoltaic process to generate electricity and that meets applicable performance and quality standards and certification requirements in effect at the time of acquisition of the property, as specified by the Maryland Energy Administration.

(3) (i) "Solar energy property" means equipment that uses solar energy:

1. to generate electricity;
2. to heat or cool a structure or provide hot water for use in a structure; or
3. to provide solar process heat.

(ii) "Solar energy property" does not include a swimming pool, hot tub, or any other energy storage medium that has a function other than storage.

(4) "Solar water heating property" means solar energy property that:

(i) when installed in connection with a structure, uses solar energy for the purpose of providing hot water for use within the structure; and

(ii) meets applicable performance and quality standards and certification requirements in effect at the time of acquisition of the property, as specified by the Maryland Energy Administration.

(b) An individual or a corporation may claim a credit against the State income tax for a taxable year as provided in this section for the costs of solar water heating property or photovoltaic property placed in service during the taxable year.

(c) (1) Subject to the limitations under paragraph (2) of this subsection, the credit allowed under this section includes [~~15%~~ **20%**] of the total installed cost of photovoltaic property or solar water heating property.

(2) The credit allowed under this subsection may not exceed:

(i) [~~\$2,000~~ **\$3,000**] for each system for photovoltaic property; and

(ii) ~~[\$1,000]~~ **\$2,000** for each system for solar water heating property.

(d) (1) The total amount of the credit allowed under this section for any taxable year may not exceed the State income tax for that taxable year, calculated before application of the credits under this section and §§ 10–701 and 10–701.1 of this subtitle, but after application of the other credits allowable under this subtitle.

(2) The unused amount of the credit for any taxable year may not be carried over to any other taxable year.

(e) Except as otherwise provided in this title, for purposes of determining Maryland taxable income, the basis of property with respect to which the credit under this section is allowed shall be its basis for federal income tax purposes.

(f) The credit under this section may not be claimed:

(1) IF AN INDIVIDUAL OR CORPORATION RECEIVES A GRANT TO ACQUIRE AND INSTALL THE SAME PROPERTY UNDER THE SOLAR ENERGY GRANT PROGRAM; OR

(2) for property placed in service:

[(1)] (I) before July 1, ~~[2000]~~ **2007**; or

[(2)] (II) after December 31, ~~[2004]~~ **2011**.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2007, and shall be applicable to all taxable years beginning after December 31, 2007.