

SENATE BILL 295

Q4, Q5, R2

71r1629

By: **Senators Mooney, Brochin, Colburn, Della, Garagiola, Greenip, Haines, Harris, Jacobs, Kelley, Kittleman, Klausmeier, Munson, Peters, Pipkin, and Stone**

Introduced and read first time: January 31, 2007

Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **Tax Credit – Electric and Hybrid Vehicles**

3 FOR the purpose of establishing a period of eligibility for a credit against the motor
4 vehicle excise tax for certain qualified electric vehicles and certain hybrid
5 vehicles having an onboard rechargeable energy storage system; and generally
6 relating to a credit against the motor vehicle excise tax for qualified electric and
7 hybrid vehicles.

8 BY repealing and reenacting, with amendments,
9 Article – Transportation
10 Section 13–815
11 Annotated Code of Maryland
12 (2006 Replacement Volume and 2006 Supplement)

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

15 **Article – Transportation**

16 13–815.

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

18 (2) “Automobile” means a 4–wheeled vehicle propelled by fuel that:

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (i) Is manufactured primarily for use on public streets, roads,
2 and highways, other than for use exclusively on a rail or rails; and

3 (ii) Is rated at not more than 8,500 pounds unloaded gross
4 vehicle weight.

5 (3) "Excise tax" means the tax imposed under § 13–809 of this subtitle.

6 (4) "Maximum available power" means the maximum value of the sum
7 of the heat engine and electric drive system power or other nonheat energy conversion
8 devices available for a driver's command for maximum acceleration at vehicle speeds
9 under 75 miles per hour.

10 (5) "Qualified electric vehicle" has the meaning stated in § 30 of the
11 Internal Revenue Code.

12 (6) "Qualified hybrid vehicle" means an automobile that:

13 (i) Meets all applicable regulatory requirements;

14 (ii) Meets the current vehicle exhaust standard set under the
15 federal Tier 2 Program for gasoline-powered passenger cars under 40 C.F.R. Part 80
16 et seq.; and

17 (iii) Can draw propulsion energy from both of the following
18 onboard sources of stored energy:

19 1. Gasoline or diesel fuel; and

20 2. A rechargeable energy storage system.

21 (b) (1) Except as provided in subsection (e) of this section, a credit is
22 allowed against the excise tax imposed for a qualified electric vehicle or a qualified
23 hybrid vehicle.

24 (2) Subject to the limitations under subsections (c) and (d) of this
25 section, the credit allowed under this section equals 100% of the excise tax imposed for
26 a vehicle.

27 (3) The credit allowed under this section [does not apply] **APPLIES** to
28 a vehicle titled on or after July 1, [2004] **2007 BUT BEFORE JULY 1, 2011.**

1 (c) For a qualified electric vehicle, the credit allowed under this section may
2 not exceed \$2,000.

3 (d) (1) For a qualified hybrid vehicle that has a rechargeable energy
4 storage system that provides at least 5% of the vehicle's maximum available power,
5 subject to paragraph (2) of this subsection, the credit allowed under this section may
6 not exceed:

7 (i) \$250 if the vehicle's rechargeable energy storage system
8 provides at least 5% but less than 10% of the maximum available power;

9 (ii) \$500 if the vehicle's rechargeable energy storage system
10 provides at least 10% but less than 20% of the maximum available power;

11 (iii) \$750 if the vehicle's rechargeable energy storage system that
12 provides at least 20% but less than 30% of the maximum available power; or

13 (iv) \$1,000 if the vehicle's rechargeable energy storage system
14 that provides at least 30% of the maximum available power.

15 (2) If a qualified hybrid vehicle actively employs a regenerative
16 braking system that supplies to the rechargeable energy storage system at least 20%
17 of the energy available from braking in a typical 60 miles per hour to 0 miles per hour
18 braking event, the maximum credit amount determined under paragraph (1) of this
19 subsection shall be increased by:

20 (i) \$125 if the vehicle's regenerative braking system supplies to
21 the rechargeable energy storage system at least 20% but less than 40% of the energy
22 available from braking in a typical 60 miles per hour to 0 miles per hour braking
23 event;

24 (ii) \$250 if the vehicle's regenerative braking system supplies to
25 the rechargeable energy storage system at least 40% but less than 60% of the energy
26 available from braking in a typical 60 miles per hour to 0 miles per hour braking
27 event; or

28 (iii) \$500 if the vehicle's regenerative braking system supplies to
29 the rechargeable energy storage system at least 60% of the energy available from
30 braking in a typical 60 miles per hour to 0 miles per hour braking event.

31 (e) A credit may not be claimed under this section:

1 (1) For a vehicle unless the vehicle is registered in the State; or

2 (2) For a qualified electric vehicle unless the owner has already met
3 any State or federal laws or regulations governing clean-fuel vehicle or electric vehicle
4 purchases applicable during the calendar year in which the vehicle is titled.

5 (f) (1) The Motor Vehicle Administration and the Maryland Energy
6 Administration jointly shall adopt regulations to administer the credit under this
7 section.

8 (2) The regulations adopted under this section shall specify the testing
9 and calculation procedures to be used to determine whether a vehicle meets the
10 qualifications for a credit under this section.

11 (g) On or after October 1 of each year, the Administration shall certify to the
12 Comptroller the total amount of credits allowed under this section against the excise
13 tax for the preceding fiscal year.

14 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
15 July 1, 2007.