

SENATE BILL 565

Q3

(8lr1377)

ENROLLED BILL

—Budget and Taxation / Ways and Means—

Introduced by **Senators Garagiola, Brochin, Edwards, Forehand, Middleton, Peters, Raskin, and Rosapepe**

Read and Examined by Proofreaders:

Proofreader.

Proofreader.

Sealed with the Great Seal and presented to the Governor, for his approval this

_____ day of _____ at _____ o'clock, _____ M.

President.

CHAPTER _____

1 AN ACT concerning

2 **Income Tax Credit – Bio-Heating Oil**

3 FOR the purpose of allowing an individual or corporation to claim a certain credit
4 against the State income tax for each gallon of heating oil with a certain blend
5 of biodiesel purchased for certain uses; limiting the amount of the credit for a
6 certain tax year; requiring the Maryland Energy Administration to administer a
7 certain initial credit certificate; requiring the Maryland Energy Administration
8 to provide to the Comptroller certain information about taxpayers applying for
9 certain credit certificates; requiring the Maryland Energy Administration to
10 adopt certain regulations; requiring the Maryland Energy Administration to
11 conduct a certain public relations campaign; providing for the application of this
12 Act; providing for the termination of this Act; and generally relating to heating
13 oil blended with biodiesel.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.

Italics indicate opposite chamber / conference committee amendments.



1 BY adding to
2 Article – Tax – General
3 Section 10–726
4 Annotated Code of Maryland
5 (2004 Replacement Volume and 2007 Supplement)

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

8 **Article – Tax – General**

9 **10–726.**

10 (A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE
11 MEANINGS INDICATED.

12 (2) “BIO–HEATING OIL” MEANS HEATING OIL WITH A BLEND OF
13 AT LEAST 5% BIODIESEL.

14 (3) “ADMINISTRATION” MEANS THE MARYLAND ENERGY
15 ADMINISTRATION.

16 (B) AN INDIVIDUAL OR CORPORATION THAT RECEIVES AN INITIAL
17 CREDIT CERTIFICATE UNDER SUBSECTION (D) OF THIS SECTION FROM THE
18 ADMINISTRATION MAY CLAIM A CREDIT AGAINST THE STATE INCOME TAX FOR A
19 TAXABLE YEAR IN AN AMOUNT EQUAL TO ~~5~~ 3 CENTS FOR EACH GALLON OF
20 BIO–HEATING OIL PURCHASED FOR SPACE OR WATER HEATING.

21 (C) (1) FOR ANY TAXABLE YEAR, THE CREDIT ALLOWED UNDER THIS
22 SECTION MAY NOT EXCEED THE LESSER OF:

23 (I) \$500; OR

24 (II) THE STATE INCOME TAX FOR THAT TAXABLE YEAR.

25 (2) THE UNUSED AMOUNT OF THE CREDIT FOR ANY TAXABLE
26 YEAR MAY NOT BE CARRIED OVER TO ANY OTHER TAXABLE YEAR.

27 (D) (1) ON APPLICATION BY A TAXPAYER, THE MARYLAND ENERGY
28 ADMINISTRATION SHALL ISSUE AN INITIAL CREDIT CERTIFICATE FOR THE
29 NUMBER OF GALLONS OF BIO–HEATING OIL PURCHASED BY THE TAXPAYER FOR
30 SPACE OR WATER HEATING.

1 **(2) THE INITIAL CREDIT CERTIFICATE ISSUED UNDER THIS**
2 **SUBSECTION SHALL STATE THE MAXIMUM AMOUNT OF CREDIT THAT MAY BE**
3 **CLAIMED BY THE TAXPAYER.**

4 **(3) ON JANUARY 1, 2009, AND EACH YEAR THEREAFTER, THE**
5 **ADMINISTRATION SHALL PROVIDE TO THE COMPTROLLER A LIST OF ALL**
6 **TAXPAYERS IN THE PRIOR TAX YEAR THAT HAVE BEEN ISSUED AN INITIAL**
7 **CREDIT CERTIFICATE AND SHALL SPECIFY FOR EACH TAXPAYER THE MAXIMUM**
8 **AMOUNT OF CREDIT ALLOWED.**

9 **(4) THE MARYLAND ENERGY ADMINISTRATION SHALL ADOPT**
10 **REGULATIONS TO ADMINISTER THE INITIAL CREDIT CERTIFICATE REQUIRED**
11 **UNDER THIS SUBSECTION.**

12 SECTION 2. AND BE IT FURTHER ENACTED, That, utilizing existing
13 resources, the Maryland Energy Administration shall conduct a public relations
14 campaign in every county of the State to promote the use of heating oil blended with
15 biodiesel.

16 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect
17 July 1, 2008, and shall be applicable to all taxable years beginning after December 31,
18 2007, but before January 1, 2013. It shall remain effective for a period of 5 years and,
19 at the end of June 30, 2013, with no further action required by the General Assembly,
20 this Act shall be abrogated and of no further force and effect.

Approved:

Governor.

President of the Senate.

Speaker of the House of Delegates.