

SENATE BILL 565

Q3

8lr1377

By: **Senators Garagiola, Brochin, Edwards, Forehand, Middleton, Peters, Raskin, and Rosapepe**

Introduced and read first time: February 1, 2008

Assigned to: Budget and Taxation

A BILL ENTITLED

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; and generally relating to heating oil blended with biodiesel.

13 BY adding to

14 Article – Tax – General

15 Section 10-726

16 Annotated Code of Maryland

17 (2004 Replacement Volume and 2007 Supplement)

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

20 **Article – Tax – General**

21 **10-726.**

22 (A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE
23 MEANINGS INDICATED.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (2) **“BIO-HEATING OIL” MEANS HEATING OIL WITH A BLEND OF**
2 **AT LEAST 5% BIODIESEL.**

3 (3) **“ADMINISTRATION” MEANS THE MARYLAND ENERGY**
4 **ADMINISTRATION.**

5 **(B) AN INDIVIDUAL OR CORPORATION THAT RECEIVES AN INITIAL**
6 **CREDIT CERTIFICATE UNDER SUBSECTION (D) OF THIS SECTION FROM THE**
7 **ADMINISTRATION MAY CLAIM A CREDIT AGAINST THE STATE INCOME TAX FOR A**
8 **TAXABLE YEAR IN AN AMOUNT EQUAL TO 5 CENTS FOR EACH GALLON OF**
9 **BIO-HEATING OIL PURCHASED FOR SPACE OR WATER HEATING.**

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

12 **(I) \$500; OR**

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

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

16 **(D) (1) ON APPLICATION BY A TAXPAYER, THE MARYLAND ENERGY**
17 **ADMINISTRATION SHALL ISSUE AN INITIAL CREDIT CERTIFICATE FOR THE**
18 **NUMBER OF GALLONS OF BIO-HEATING OIL PURCHASED BY THE TAXPAYER FOR**
19 **SPACE OR WATER HEATING.**

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

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

28 **(4) THE MARYLAND ENERGY ADMINISTRATION SHALL ADOPT**
29 **REGULATIONS TO ADMINISTER THE INITIAL CREDIT CERTIFICATE REQUIRED**
30 **UNDER THIS SUBSECTION.**

31 SECTION 2. AND BE IT FURTHER ENACTED, That, utilizing existing
32 resources, the Maryland Energy Administration shall conduct a public relations

1 campaign in every county of the State to promote the use of heating oil blended with
2 biodiesel.

3 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect
4 July 1, 2008, and shall be applicable to all taxable years beginning after December 31,
5 2007.