

CHAPTER 140

(Senate Bill 565)

AN ACT concerning

Income Tax Credit – Bio-Heating Oil

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

BY adding to

Article – Tax – General

Section 10-726

Annotated Code of Maryland

(2004 Replacement Volume and 2007 Supplement)

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

Article – Tax – General

10-726.

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

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

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

(B) AN INDIVIDUAL OR CORPORATION THAT RECEIVES AN INITIAL CREDIT CERTIFICATE UNDER SUBSECTION (D) OF THIS SECTION FROM THE

ADMINISTRATION MAY CLAIM A CREDIT AGAINST THE STATE INCOME TAX FOR A TAXABLE YEAR IN AN AMOUNT EQUAL TO ~~5~~ 3 CENTS FOR EACH GALLON OF BIO-HEATING OIL PURCHASED FOR SPACE OR WATER HEATING.

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

(I) \$500; OR

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

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

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

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

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

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

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

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

Approved by the Governor, April 24, 2008.