

CHAPTER 444

(House Bill 1171)

AN ACT concerning

Alternative Energy Tax Incentive Act of 2009

FOR the purpose of exempting from the sales and use tax the sale of certain wind energy equipment to be used for certain residential purposes; clarifying that certain solar energy property that uses solar thermal electric energy is exempt from the State and local property tax; exempting from the State and local property tax certain wind energy equipment to be used for certain residential purposes; ~~exempting from the State and local property tax certain methane digesters~~; defining certain terms; and generally relating to certain tax benefits for certain alternative energy.

BY repealing and reenacting, with amendments,
Article – Tax – General
Section 11–230
Annotated Code of Maryland
(2004 Replacement Volume and 2008 Supplement)

BY repealing and reenacting, with amendments,
Article – Tax – Property
Section 7–242
Annotated Code of Maryland
(2007 Replacement Volume and 2008 Supplement)

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

Article – Tax – General

11–230.

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

(2) “Geothermal equipment” means equipment that uses ground loop technology to heat and cool a structure.

(3) **“RESIDENTIAL WIND ENERGY EQUIPMENT” MEANS EQUIPMENT INSTALLED ON RESIDENTIAL PROPERTY THAT USES WIND ENERGY TO GENERATE ELECTRICITY TO BE USED IN A RESIDENTIAL STRUCTURE ON THE PROPERTY.**

[(3)] (4) (i) “Solar energy equipment” means equipment that uses solar energy to heat or cool a structure, generate electricity to be used in a structure, or provide hot water for use in a structure.

(ii) “Solar energy equipment” does not include equipment that is part of a nonsolar energy system or that uses any type of recreational facility or equipment as a storage medium.

(b) The sales and use tax does not apply to a sale of geothermal equipment, **RESIDENTIAL WIND ENERGY EQUIPMENT**, or solar energy equipment.

Article - Tax - Property

7-242.

[(a) In this section, “solar energy property” means equipment that is installed to use solar energy to generate electricity to be used in a structure, or provide hot water for use in a structure.]

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

~~(2) “METHANE DIGESTER” MEANS EQUIPMENT THAT IS INSTALLED TO APPLY WASTEWATER AND SOLIDS TREATMENT TECHNOLOGY THAT, WHEN USED ON A FARM, PROCESSES ANIMAL WASTE UNDER ANAEROBIC CONDITIONS, YIELDING METHANE GAS AND REDUCING THE VOLUME OF SOLIDS AND TREATED LIQUIDS.~~

~~(3)~~ (2) **“RESIDENTIAL WIND ENERGY EQUIPMENT” MEANS EQUIPMENT ON RESIDENTIAL PROPERTY THAT IS INSTALLED TO USE WIND ENERGY TO GENERATE ELECTRICITY TO BE USED IN A RESIDENTIAL STRUCTURE ON THE PROPERTY.**

~~(4)~~ (3) **“SOLAR ENERGY PROPERTY” MEANS EQUIPMENT THAT IS INSTALLED TO USE SOLAR ENERGY OR SOLAR THERMAL ELECTRIC ENERGY TO GENERATE ELECTRICITY TO BE USED IN A STRUCTURE, OR PROVIDE HOT WATER FOR USE IN A STRUCTURE.**

(b) Except as provided in § 8-240 of this article, [solar energy property is not subject to real property tax] **THE FOLLOWING ARE NOT SUBJECT TO REAL PROPERTY TAX:**

(1) ~~METHANE DIGESTERS;~~

~~(2)~~ RESIDENTIAL WIND ENERGY EQUIPMENT; AND

~~(3)~~ (2) SOLAR ENERGY PROPERTY.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2009.

Approved by the Governor, May 7, 2009.