

# SENATE BILL 728

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By: **Senators DeGrange, Garagiola, Robey, King, Currie, and Madaleno**

Introduced and read first time: February 1, 2013

Assigned to: Budget and Taxation

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## A BILL ENTITLED

1 AN ACT concerning

2 **Tax Credits – Electric Vehicles – Extensions**

3 FOR the purpose of extending the credit against the State income tax for certain  
4 qualified electric vehicle recharging equipment for certain tax years; providing  
5 for the amount of tax credit certificates that may be issued by the Maryland  
6 Energy Administration; transferring certain money from the Strategic Energy  
7 Investment Fund to the General Fund in certain fiscal years; extending the  
8 credit against the motor vehicle excise tax for certain qualified plug-in electric  
9 drive vehicles for a certain period of time; establishing that the tax credit is  
10 subject to available funding; transferring certain money from the Strategic  
11 Energy Investment Fund to the Transportation Trust Fund in a certain fiscal  
12 year; and generally relating to the extension of tax credits relevant to electric  
13 vehicles.

14 BY repealing and reenacting, without amendments,  
15 Article – Environment  
16 Section 2-1002(g)(2)  
17 Annotated Code of Maryland  
18 (2007 Replacement Volume and 2012 Supplement)

19 BY repealing and reenacting, without amendments,  
20 Article – State Government  
21 Section 9-20B-05(a) and (e)  
22 Annotated Code of Maryland  
23 (2009 Replacement Volume and 2012 Supplement)

24 BY repealing and reenacting, with amendments,  
25 Article – Tax – General  
26 Section 10-729  
27 Annotated Code of Maryland  
28 (2010 Replacement Volume and 2012 Supplement)

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 BY repealing and reenacting, with amendments,  
2 Article – Transportation  
3 Section 13–815  
4 Annotated Code of Maryland  
5 (2012 Replacement Volume)

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

8 **Article – Environment**

9 2–1002.

10 (g) (2) Not later than June 30, 2007, the Governor shall include the State  
11 as a full participant in the Regional Greenhouse Gas Initiative among Mid–Atlantic  
12 and Northeast states.

13 **Article – State Government**

14 9–20B–05.

15 (a) There is a Maryland Strategic Energy Investment Fund.

16 (e) The Fund consists of:

17 (1) all of the proceeds from the sale of allowances under § 2–1002(g) of  
18 the Environment Article;

19 (2) money appropriated in the State budget to the Program;

20 (3) repayments and prepayments of principal and interest on loans  
21 made from the Fund;

22 (4) interest and investment earnings on the Fund;

23 (5) compliance fees paid under § 7–705 of the Public Utilities Article;  
24 and

25 (6) money received from any public or private source for the benefit of  
26 the Fund.

27 **Article – Tax – General**

28 10–729.

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



1 (iii) for tax [year] YEARS 2013 THROUGH 2016, INCLUSIVE,  
2 \$600,000 EACH TAX YEAR.

3 (5) On January 1, 2012, and each year the credit is authorized, the  
4 Administration shall provide to the Comptroller a list of all taxpayers in the prior tax  
5 year that have been issued an initial credit certificate and shall specify for each  
6 taxpayer the maximum amount of credit allowed.

7 (6) (i) The Administration may adopt regulations to administer the  
8 initial credit certificate required under this subsection.

9 (ii) The regulations adopted by the Administration may include  
10 a further limit on the maximum amount of credit that may be claimed by the taxpayer.

### 11 Article – Transportation

12 13–815.

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

14 (2) “Excise tax” means the tax imposed under § 13–809 of this subtitle.

15 (3) “Qualified plug-in electric drive vehicle” means a motor vehicle  
16 that:

17 (i) Is made by a manufacturer;

18 (ii) Is manufactured primarily for use on public streets, roads,  
19 and highways;

20 (iii) Has not been modified from original manufacturer  
21 specifications;

22 (iv) Is acquired for use or lease by the taxpayer and not for  
23 resale;

24 (v) Is rated at not more than 8,500 pounds unloaded gross  
25 vehicle weight;

26 (vi) Has a maximum speed capability of at least 55 miles per  
27 hour;

28 (vii) Is propelled to a significant extent by an electric motor that  
29 draws electricity from a battery that:

30 1. For a 4-wheeled motor vehicle, has a capacity of not  
31 less than 4 kilowatt-hours;

1                   2.     For a 2-wheeled or 3-wheeled motor vehicle, has a  
2 capacity of not less than 2.5 kilowatt-hours; and

3                   3.     Is capable of being recharged from an external source  
4 of electricity; and

5                   (viii) Is titled by the taxpayer on or after October 1, 2010, but  
6 before July 1, [2013] **2014**.

7           (b)   (1)   **[A] SUBJECT TO AVAILABLE FUNDING, A** credit is allowed  
8 against the excise tax imposed for a qualified plug-in electric drive vehicle.

9                   (2)   Subject to the limitations under subsections (c) through (e) of this  
10 section, the credit allowed under this section equals 100% of the excise tax imposed for  
11 a vehicle.

12           (c)   The credit allowed under this section may not exceed \$2,000.

13           (d)   The credit allowed under this section is limited to the acquisition of:

14                   (1)   One vehicle per individual; and

15                   (2)   10 vehicles per business entity.

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

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

18                   (2)   Unless the manufacturer has already conformed to any applicable  
19 State or federal laws or regulations governing clean-fuel vehicle or electric vehicle  
20 purchases applicable during the calendar year in which the vehicle is titled; or

21                   (3)   For a vehicle that was initially registered in another state.

22           (f)   The Motor Vehicle Administration shall administer the credit under this  
23 section.

24           SECTION 2. AND BE IT FURTHER ENACTED, That, notwithstanding any  
25 other provision of law, for fiscal years 2016, 2017, and 2018, respectively, the lesser of  
26 \$600,000 or the total amount of credit certificates issued in tax years 2014, 2015, and  
27 2016, respectively, shall be transferred from the Strategic Energy Investment Fund  
28 established under § 9-20B-05 of the State Government Article to the General Fund to  
29 offset a reduction in revenues from the tax credit for electric vehicle recharging  
30 equipment established under § 10-729 of the Tax – General Article as enacted by this  
31 Act.

1           SECTION 3. AND BE IT FURTHER ENACTED, That, notwithstanding any  
2 other provision of law, for fiscal year 2014, the lesser of \$1,287,000 or the actual total  
3 amount of credits allowed against the excise tax shall be transferred from the  
4 Strategic Energy Investment Fund established under § 9–20B–05 of the State  
5 Government Article to the Transportation Trust Fund to offset a reduction in revenues  
6 from the vehicle excise tax credit for qualified plug–in electric drive vehicles under §  
7 13–815 of the Transportation Article as enacted by this Act.

8           SECTION 4. AND BE IT FURTHER ENACTED, That this Act shall take effect  
9 July 1, 2013.