

## Chapter 389

(House Bill 791)

AN ACT concerning

### Tax Credits – Electric Vehicles – Extensions

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

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

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

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

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

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

**Article – Environment**

2–1002.

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

**Article – State Government**

9–20B–05.

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

(e) The Fund consists of:

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

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

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

(4) interest and investment earnings on the Fund;

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

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

**Article – Tax – General**

10–729.

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

(2) “Administration” means the Maryland Energy Administration.

(3) “Qualified electric vehicle recharging equipment” means property used for the recharging of motor vehicles propelled by electricity that meets the

definition of “qualified alternative fuel vehicle refueling property” in § 30C of the Internal Revenue Code.

(b) For tax years 2011 through ~~[2013]~~ **2016** only, 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 20% of the cost of any qualified electric vehicle recharging equipment placed in service by the taxpayer during the taxable year.

(c) (1) For any taxable year, the credit allowed under this section may not exceed the lesser of:

- (i) \$400 for each individual recharging system; 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 Administration shall issue an initial credit certificate in an amount equal to 20% of the estimated cost of the qualified electric vehicle recharging equipment to be placed in service in the State by the taxpayer during the taxable year.

(2) The initial credit certificate issued under this subsection shall state the maximum amount of credit that may be claimed by the taxpayer.

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

- (i) 1 recharging system per individual; and
- (ii) 30 recharging systems per business entity.

(4) The Administration may issue total credit certificates not to exceed the following amounts:

- (i) for tax year 2011, \$400,000;
- (ii) for tax year 2012, \$500,000; and
- (iii) for tax ~~[year]~~ **YEARS 2013 THROUGH 2016, INCLUSIVE, \$600,000 EACH TAX YEAR.**

(5) On January 1, 2012, and each year the credit is authorized, 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.

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

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

### **Article – Transportation**

13–815.

- (a) (1) In this section the following words have the meanings indicated.
- (2) “Excise tax” means the tax imposed under § 13–809 of this subtitle.
- (3) “Qualified plug-in electric drive vehicle” means a motor vehicle that:
- (i) Is made by a manufacturer;
  - (ii) Is manufactured primarily for use on public streets, roads, and highways;
  - (iii) Has not been modified from original manufacturer specifications;
  - (iv) Is acquired for use or lease by the taxpayer and not for resale;
  - (v) Is rated at not more than 8,500 pounds unloaded gross vehicle weight;
  - (vi) Has a maximum speed capability of at least 55 miles per hour; **AND**
  - (vii) Is propelled to a significant extent by an electric motor that draws electricity from a battery that:
    1. For a 4-wheeled motor vehicle, has a capacity of not less than 4 kilowatt-hours;
    2. For a 2-wheeled or 3-wheeled motor vehicle, has a capacity of not less than 2.5 kilowatt-hours; and

3. Is capable of being recharged from an external source of electricity, ~~and~~

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

**(b) THIS SECTION APPLIES ONLY TO A PLUG-IN ELECTRIC DRIVE VEHICLE THAT IS TITLED BY THE TAXPAYER ON OR AFTER OCTOBER 1, 2010, BUT BEFORE JULY 1, 2014.**

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

(2) Subject to the limitations under subsections ~~(e)~~ **(D)** through ~~(e)~~ **(F)** of this section, the credit allowed under this section equals 100% of the excise tax imposed for a vehicle.

~~(e)~~ **(D)** The credit allowed under this section may not exceed ~~\$2,000~~:

**(1) \$600 FOR A VEHICLE WITH A BATTERY CAPACITY OF AT LEAST 4.0 KILOWATT-HOURS BUT NOT MORE THAN 10.0 KILOWATT-HOURS;**

**(2) \$700 FOR A VEHICLE WITH A BATTERY CAPACITY OF AT LEAST 10.1 KILOWATT-HOURS BUT NOT MORE THAN 15.0 KILOWATT-HOURS; AND**

**(3) \$1,000 FOR A VEHICLE WITH A BATTERY CAPACITY OF AT LEAST 15.0 KILOWATT-HOURS.**

~~(e)~~ **(E)** The credit allowed under this section is limited to the acquisition of:

- (1) One vehicle per individual; and
- (2) 10 vehicles per business entity.

~~(e)~~ **(F)** A credit may not be claimed under this section:

- (1) For a vehicle unless the vehicle is registered in the State;
- (2) Unless the manufacturer has already conformed to any applicable State or federal laws or regulations governing clean-fuel vehicle or electric vehicle purchases applicable during the calendar year in which the vehicle is titled; or
- (3) For a vehicle that was initially registered in another state.

~~(F)~~ **(G)** The Motor Vehicle Administration shall administer the credit under this section.

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

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

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

**Approved by the Governor, May 2, 2013.**