

## Chapter 360

(House Bill 1345)

AN ACT concerning

### Electric Vehicles and Recharging Equipment – Rebates and Tax Credits

FOR the purpose of repealing the credit against the State income tax for the cost of certain qualified electric vehicle recharging equipment; establishing, for certain ~~calendar~~ fiscal years, the Electric Vehicle Recharging Equipment Rebate Program to provide certain rebates to certain individuals and ~~business~~ entities for the costs of acquiring and installing certain equipment; requiring the Maryland Energy Administration to administer the Program; providing for the amount of a rebate and a limit on the total amount of rebates that may be issued; limiting the number of rebates that an individual may claim; authorizing the Administration to adopt certain regulations; authorizing the Administration to use the Maryland Strategic Energy Investment Fund to pay for certain rebates; 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 type of vehicle the credit applies to; altering the calculation of the credit; providing that the credit may not exceed a certain amount; altering a requirement to transfer certain amounts from the Fund during certain fiscal years; transferring certain money from the Fund to the Transportation Trust Fund in certain fiscal years; requiring the Maryland Energy Administration and the Maryland Department of Transportation to report to certain committees of the General Assembly on or before a certain date; defining certain terms; and generally relating to tax incentives for the purchase of electric vehicles and certain rebates for the purchase and installation of electric vehicle recharging equipment.

BY repealing

Article – Tax – General

Section 10–729

Annotated Code of Maryland

(2010 Replacement Volume and 2013 Supplement)

BY repealing and reenacting, without amendments,

Article – State Government

Section 9–2001(a) and (b) and 9–20B–05(a)

Annotated Code of Maryland

(2009 Replacement Volume and 2013 Supplement)

BY adding to

Article – State Government

Section 9–2009 and 9–20B–05(f)(7)  
 Annotated Code of Maryland  
 (2009 Replacement Volume and 2013 Supplement)

BY repealing and reenacting, with amendments,  
 Article – State Government  
 Section 9–20B–05(f)(6) and (7)  
 Annotated Code of Maryland  
 (2009 Replacement Volume and 2013 Supplement)

BY repealing and reenacting, with amendments,  
 Article – Transportation  
 Section 13–815  
 Annotated Code of Maryland  
 (2012 Replacement Volume and 2013 Supplement)

BY repealing and reenacting, with amendments,  
 Chapter 389 of the Acts of the General Assembly of 2013  
 Section 2

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

**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 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 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 – State Government**

- (a) In this subtitle the following words have the meanings indicated.
- (b) “Administration” means the Maryland Energy Administration.

**9-2009.**

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

**(2) “ELECTRIC VEHICLE RECHARGING EQUIPMENT REBATE” MEANS A REBATE ISSUED BY THE ADMINISTRATION UNDER THIS SECTION FOR THE COST OF QUALIFIED ELECTRIC VEHICLE RECHARGING EQUIPMENT.**

**(3) “QUALIFIED ELECTRIC VEHICLE RECHARGING EQUIPMENT” MEANS PROPERTY IN THE STATE THAT IS USED FOR RECHARGING MOTOR VEHICLES PROPELLED BY ELECTRICITY.**

**(4) “RETAIL SERVICE STATION DEALER” HAS THE MEANING STATED IN § 10-101 OF THE BUSINESS REGULATION ARTICLE.**

**(B) (1) THERE IS AN ELECTRIC VEHICLE RECHARGING EQUIPMENT REBATE PROGRAM.**

**(2) THE ADMINISTRATION SHALL ADMINISTER THE PROGRAM.**

**(C) (1) FOR ~~CALENDAR YEARS 2014~~ FISCAL YEARS 2015 THROUGH 2017, SUBJECT TO THE PROVISIONS OF THIS SECTION, AN ~~INDIVIDUAL OR INDIVIDUAL~~, A BUSINESS ENTITY, OR A UNIT OF STATE OR LOCAL GOVERNMENT MAY APPLY TO THE ADMINISTRATION FOR AN ELECTRIC VEHICLE RECHARGING EQUIPMENT REBATE FOR THE COSTS OF ACQUIRING AND INSTALLING QUALIFIED ELECTRIC VEHICLE RECHARGING EQUIPMENT.**

**(2) FOR EACH ~~CALENDAR~~ FISCAL YEAR, THE TOTAL AMOUNT OF REBATES ISSUED BY THE ADMINISTRATION MAY NOT EXCEED \$600,000.**

**(3) THE ADMINISTRATION MAY ALLOW AN APPLICANT TO INCLUDE REASONABLE INSTALLATION COSTS IN THE COST OF QUALIFIED ELECTRIC VEHICLE RECHARGING EQUIPMENT FOR THE PURPOSE OF CALCULATING THE AMOUNT OF AN ELECTRIC VEHICLE RECHARGING EQUIPMENT REBATE.**

**(D) SUBJECT TO SUBSECTION (E) OF THIS SECTION, THE ADMINISTRATION MAY ISSUE AN ELECTRIC VEHICLE RECHARGING EQUIPMENT REBATE TO:**

**(1) AN INDIVIDUAL IN AN AMOUNT EQUAL TO THE LESSER OF:**

**(I) 50% OF THE COSTS OF ACQUIRING AND INSTALLING QUALIFIED ELECTRIC VEHICLE RECHARGING EQUIPMENT; OR**

**(II) \$900; ~~OR~~**

**(2) EXCEPT AS PROVIDED IN ITEM (3) OF THIS SUBSECTION, A BUSINESS ENTITY OR UNIT OF STATE OR LOCAL GOVERNMENT IN AN AMOUNT EQUAL TO THE LESSER OF:**

**(I) 50% OF THE COSTS OF ACQUIRING AND INSTALLING QUALIFIED ELECTRIC VEHICLE RECHARGING EQUIPMENT; OR**

**(II) \$5,000; OR**

**(3) A RETAIL SERVICE STATION DEALER IN AN AMOUNT EQUAL TO THE LESSER OF:**

**(I) 50% OF THE COSTS OF ACQUIRING AND INSTALLING QUALIFIED ELECTRIC VEHICLE RECHARGING EQUIPMENT; OR**

**(II) \$7,500.**

**(E) AN ELECTRIC VEHICLE RECHARGING EQUIPMENT REBATE ISSUED UNDER THIS SECTION IS LIMITED TO THE ACQUISITION OF ONE RECHARGING SYSTEM PER INDIVIDUAL.**

**(F) (1) THE ADMINISTRATION MAY ADOPT REGULATIONS TO CARRY OUT THIS SECTION.**

**(2) THE REGULATIONS ADOPTED UNDER THIS SUBSECTION MAY INCLUDE:**

**(I) FURTHER LIMITATIONS ON THE MAXIMUM AMOUNT OF AN ELECTRIC VEHICLE RECHARGING EQUIPMENT REBATE THAT MAY BE CLAIMED BY AN APPLICANT UNDER SUBSECTION (D) OF THIS SECTION;**

**(II) A REQUIREMENT THAT AN APPLICANT DEMONSTRATE COMPLIANCE WITH A STATE, LOCAL, OR FEDERAL LAW THAT APPLIES TO THE**

**INSTALLATION OR OPERATION OF THE QUALIFIED ELECTRIC VEHICLE RECHARGING EQUIPMENT; AND**

**(III) ANY ADDITIONAL APPLICATION AND QUALIFICATION REQUIREMENTS DEEMED APPROPRIATE BY THE ADMINISTRATION.**

9-20B-05.

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

(f) The Administration shall use the Fund:

(6) to implement energy-related public education and outreach initiatives regarding reducing energy consumption and greenhouse gas emissions; [and]

**(7) TO PROVIDE REBATES UNDER THE ELECTRIC VEHICLE RECHARGING EQUIPMENT REBATE PROGRAM ESTABLISHED UNDER § 9-2009 OF THIS TITLE; AND**

**[(7)] (8)** to pay the expenses of the Program.

**Article – Transportation**

13-815.

(a) In this section, “excise tax” means the tax imposed under § 13-809 of this subtitle.

(b) This section applies only to a plug-in electric drive vehicle that:

(1) Has not been modified from original manufacturer specifications;

(2) Is acquired for use or lease by the taxpayer and not for resale; and

(3) Is [titled by the taxpayer] **PURCHASED NEW AND TITLED FOR THE FIRST TIME** on or after ~~October 1, 2010~~ **JULY 1, 2014**, but before July 1, [2014] **2017**.

(c) **[(1)]** Subject to available funding, a credit is allowed against the excise tax imposed for a plug-in electric drive vehicle.

**[(2)]** Subject to the limitations under subsections (d) through (f) of this section, the credit allowed under this section equals 100% of the excise tax imposed for a vehicle.]

(d) The credit allowed under this section may not exceed **THE LESSER OF:**

[(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.]

**(1) THE PRODUCT OF \$125 TIMES THE NUMBER OF KILOWATT-HOURS OF BATTERY CAPACITY OF THE VEHICLE; OR**

**(2) \$3,000.**

(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.

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

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

(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.~~

(g) The Motor Vehicle Administration shall administer the credit under this section.

### **Chapter 389 of the Acts of 2013**

SECTION 2. AND BE IT FURTHER ENACTED, That, notwithstanding any other provision of law, for fiscal [years 2016, 2017, and 2018, respectively,] **YEAR 2016**, the lesser of \$600,000 or the total amount of credit certificates issued in tax [years 2014, 2015, and 2016, respectively,] **YEAR 2014** 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 2. AND BE IT FURTHER ENACTED, That, notwithstanding any other provision of law, for fiscal years 2015, 2016, and 2017, respectively, 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. The total amount of credits allowed against the excise tax may not exceed \$1,800,000 during the course of any fiscal year.

SECTION 3. AND BE IT FURTHER ENACTED, That, on or before January 1, 2015, the Maryland Energy Administration and the Maryland Department of Transportation shall report to the Senate Budget and Taxation Committee, the House Appropriations Committee, and the House Committee on Ways and Means, in accordance with § 2–1246 of the State Government Article, on:

(1) the amount of Transportation Trust Fund revenue that is paid by owners of electric vehicles to the Transportation Trust Fund for the construction and maintenance of roadways in the State; and

(2) a plan for owners of electric vehicles to contribute to the Transportation Trust Fund for the construction and maintenance of roadways in the State.

SECTION ~~3~~ 4. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2014.

**Approved by the Governor, May 5, 2014.**