

**Department of Legislative Services**  
Maryland General Assembly  
2016 Session

**FISCAL AND POLICY NOTE**  
**Third Reader**

House Bill 1145 (Delegate Turner, *et al.*)

Ways and Means

Budget and Taxation

---

**Maryland Clean Energy Incentive Act of 2016**

---

This bill extends the termination date of the clean energy incentive tax credit from December 31, 2015, to December 31, 2018.

The bill takes effect July 1, 2016.

---

**Fiscal Summary**

**State Effect:** Extending the program's termination date will not alter the fiscal impact of the program beyond that provided under current law.

**Local Effect:** None.

**Small Business Effect:** None.

---

**Analysis**

**Current Law/Background:** The Maryland Energy Administration (MEA) may issue a total of \$25 million in credits to qualified energy facilities on a first-come, first-served basis through December 31, 2015. A facility can qualify for the credit if it is originally placed in service or begins co-firing a qualified energy resource on or after January 1, 2006, but before January 1, 2016. The maximum total value of an initial credit certificate for an energy producer cannot exceed \$2.5 million. The amount of an initial credit certificate issued by MEA is based on the estimated amount of energy produced or purchased annually by the applicant.

**State Revenues:** While the bill extends the termination date of the clean energy incentive tax credit to December 31, 2018, it does not increase the total amount of initial credit certificates that MEA can award. As of December 2015, MEA has awarded the maximum \$25.0 million in credits it is authorized to award. As a result, the bill will not alter the overall fiscal impact of the tax credit program.

---

### **Additional Information**

**Prior Introductions:** None.

**Cross File:** SB 936 (Senator Manno) - Budget and Taxation.

**Information Source(s):** Maryland Energy Administration, Department of Legislative Services

**Fiscal Note History:** First Reader - March 7, 2016  
md/jrb

---

Analysis by: Robert J. Rehrmann

Direct Inquiries to:  
(410) 946-5510  
(301) 970-5510