

Chapter 502

(Senate Bill 57)

AN ACT concerning

**Income Tax Credit – Class F Vehicles – Modification and Extension**

FOR the purpose of ~~altering the taxable years for which an individual or a corporation may claim a State income tax credit for the expense of registering certain qualified vehicles in the State; repealing certain obsolete language;~~ making certain modifications to the State income tax credit for the expense of registering certain qualified vehicles in the State; requiring a taxpayer to obtain a tax credit certificate from the Motor Vehicle Administration to receive the credit; requiring the Administration to issue tax credit certificates of a certain amount for each qualified vehicle in a certain manner; limiting the aggregate amount of tax credit certificates the Administration may issue to any one taxpayer and to all taxpayers in a taxable year; providing that the credit may not exceed the State income tax for a taxable year and may not be carried over to any other taxable year; requiring the Administration to report certain information to the Comptroller annually on or before a certain date; requiring the Administration, in consultation with the Comptroller, to adopt regulations to carry out the tax credit; providing for the application of this Act; defining certain terms; and generally relating to a State income tax credit for the expense of registering certain qualified vehicles in the State.

~~BY repealing and reenacting, without amendments,  
Article – Tax – General  
Section 10-734  
Annotated Code of Maryland  
(2010 Replacement Volume and 2014 Supplement)~~

~~BY repealing and reenacting, with amendments,  
Chapter 425 of the Acts of the General Assembly of 2013  
Section 22~~

BY adding to  
Article – Tax – General  
Section 10-734.1  
Annotated Code of Maryland  
(2016 Replacement Volume)

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

**Article – Tax – General**

~~10-734.~~

~~(a) In this section, “qualified vehicle” means a Class F (tractor) vehicle described under § 13-923 of the Transportation Article that is titled and registered in the State.~~

~~(b) Subject to the limitations of this section, an individual or a corporation may claim a credit against the State income tax for the expense of registering a qualified vehicle in the State.~~

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

~~(i) \$400 for each qualified vehicle; or~~

~~(ii) the State income tax for that taxable year.~~

~~(2) The unused amount of the credit may not be carried over to any other taxable year.~~

### ~~Chapter 425 of the Acts of 2013~~

~~SECTION 22. AND BE IT FURTHER ENACTED, That Section 4 of this Act shall take effect September 1, 2013, and shall be applicable to all taxable years beginning after December 31, 2013, but before January 1, [2017, contingent on the taking effect of an increased toll structure at Maryland toll facilities. If an increased toll structure at Maryland toll facilities does not take effect on or before September 1, 2013, Section 4 of this Act shall be null and void without the necessity of further action by the General Assembly] 2020.~~

~~SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2017.~~

#### 10-734.1.

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

(2) “ADMINISTRATION” MEANS THE MOTOR VEHICLE ADMINISTRATION.

(3) “QUALIFIED VEHICLE” MEANS A CLASS F (TRACTOR) VEHICLE DESCRIBED UNDER § 13-923 OF THE TRANSPORTATION ARTICLE THAT IS TITLED AND REGISTERED IN THE STATE.

(B) SUBJECT TO THE LIMITATIONS OF THIS SECTION, AN INDIVIDUAL OR A CORPORATION THAT OBTAINS A TAX CREDIT CERTIFICATE FROM THE

ADMINISTRATION MAY CLAIM A CREDIT AGAINST THE STATE INCOME TAX FOR THE EXPENSE OF REGISTERING A QUALIFIED VEHICLE IN THE STATE DURING THE TAXABLE YEAR.

(C) (1) SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, ON APPLICATION BY A TAXPAYER, THE ADMINISTRATION SHALL ISSUE A TAX CREDIT CERTIFICATE IN THE AMOUNT OF \$400 FOR EACH QUALIFIED VEHICLE REGISTERED BY THE TAXPAYER DURING THE TAXABLE YEAR.

(2) FOR ANY TAXABLE YEAR, THE ADMINISTRATION MAY NOT ISSUE AN AGGREGATE AMOUNT OF TAX CREDIT CERTIFICATES TOTALING MORE THAN:

(I) \$10,000 TO ANY ONE TAXPAYER; OR

(II) \$500,000 TO ALL TAXPAYERS.

(D) THE ADMINISTRATION SHALL APPROVE ALL APPLICATIONS THAT QUALIFY FOR A TAX CREDIT CERTIFICATE:

(1) ON A FIRST-COME, FIRST-SERVED BASIS; AND

(2) IN A TIMELY MANNER.

(E) (1) FOR ANY TAXABLE YEAR, THE CREDIT ALLOWED UNDER THIS SECTION MAY NOT EXCEED THE STATE INCOME TAX FOR THAT TAXABLE YEAR.

(2) THE UNUSED AMOUNT OF THE CREDIT MAY NOT BE CARRIED OVER TO ANY OTHER TAXABLE YEAR.

(F) ON OR BEFORE JANUARY 31 EACH TAXABLE YEAR, THE ADMINISTRATION SHALL REPORT TO THE COMPTROLLER ON THE TAX CREDIT CERTIFICATES ISSUED UNDER THIS SECTION DURING THE PRIOR TAXABLE YEAR.

(G) THE ADMINISTRATION, IN CONSULTATION WITH THE COMPTROLLER, SHALL ADOPT REGULATIONS TO CARRY OUT THIS SECTION.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2017, and shall be applicable to all taxable years beginning after December 31, 2016, but before January 1, 2020.

Approved by the Governor, May 4, 2017.