

# HOUSE BILL 1535

Q3

7lr3487

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By: **Delegate Hixson**

Introduced and read first time: February 15, 2017

Assigned to: Rules and Executive Nominations

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## A BILL ENTITLED

1 AN ACT concerning

2 **Income Tax Credit – HVAC Air Stratification Technology**

3 FOR the purpose of allowing a credit against the State income tax for certain costs of certain  
4 HVAC air stratification technology; providing that the credit may not exceed a  
5 certain amount; providing that the credit may not be carried forward to another  
6 taxable year; requiring a taxpayer claiming the credit to attach certain proof to the  
7 taxpayer's return; defining a certain term; providing for the application of this Act;  
8 and generally relating to an income tax credit for certain HVAC air stratification  
9 technology.

10 BY adding to

11 Article – Tax – General  
12 Section 10–741  
13 Annotated Code of Maryland  
14 (2016 Replacement Volume)

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

17 **Article – Tax – General**

18 **10–741.**

19 **(A) IN THIS SECTION, “HVAC AIR STRATIFICATION TECHNOLOGY” MEANS**  
20 **HEATING, VENTILATION, AND AIR–CONDITIONING AIR STRATIFICATION AND**  
21 **DESTRATIFICATION TECHNOLOGY, INCLUDING A REVERSIBLE AIR MANAGEMENT**  
22 **SYSTEM, THE GOALS OF WHICH ARE TO IMPROVE OCCUPANT THERMAL COMFORT,**  
23 **IMPROVE INDOOR AIR QUALITY, AND SAVE ENERGY USED FOR SPACE HEATING AND**  
24 **COOLING IN FORCED AIR SYSTEMS.**

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1           **(B) SUBJECT TO THE LIMITATIONS OF THIS SECTION, A TAXPAYER MAY**  
2 **CLAIM A CREDIT AGAINST THE STATE INCOME TAX FOR THE TOTAL INSTALLED**  
3 **COSTS OF HVAC AIR STRATIFICATION TECHNOLOGY PAID OR INCURRED DURING**  
4 **THE TAXABLE YEAR.**

5           **(C) THE CREDIT ALLOWED UNDER THIS SECTION MAY NOT EXCEED THE**  
6 **LESSER OF:**

7                   **(1) (I) FOR HVAC AIR STRATIFICATION TECHNOLOGY INSTALLED**  
8 **ON A RESIDENTIAL PROPERTY, \$500; OR**

9                               **(II) FOR HVAC AIR STRATIFICATION TECHNOLOGY INSTALLED**  
10 **ON A COMMERCIAL PROPERTY, \$1,000; OR**

11                   **(2) 25% OF THE TOTAL INSTALLED COSTS OF THE HVAC AIR**  
12 **STRATIFICATION TECHNOLOGY, NOT TO EXCEED \$1,000.**

13           **(D) (1) THE TOTAL AMOUNT OF THE CREDIT ALLOWED UNDER THIS**  
14 **SECTION FOR ANY TAXABLE YEAR MAY NOT EXCEED THE STATE INCOME TAX FOR**  
15 **THAT TAXABLE YEAR.**

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

18           **(E) THE CREDIT UNDER THIS SECTION MAY NOT BE CLAIMED FOR HVAC**  
19 **AIR STRATIFICATION TECHNOLOGY INSTALLED BEFORE JANUARY 1, 2017.**

20           **(F) A TAXPAYER CLAIMING THE CREDIT ALLOWED UNDER THIS SECTION**  
21 **SHALL ATTACH TO THE TAXPAYER'S RETURN PROOF OF THE TOTAL INSTALLED**  
22 **COSTS OF THE HVAC AIR STRATIFICATION TECHNOLOGY.**

23           SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July  
24 1, 2017, and shall be applicable to all taxable years beginning after December 31, 2016.