

HOUSE BILL 1283

Q3

3lr3086

By: **Delegate R. Lewis**

Introduced and read first time: February 24, 2023

Assigned to: Rules and Executive Nominations

A BILL ENTITLED

1 AN ACT concerning

2 **Income Tax – Credit for Individuals Without Motor Vehicles**

3 FOR the purpose of allowing, for certain taxable years, a credit against the State income
4 tax for certain qualified taxpayers if the taxpayers, members of the taxpayers'
5 households, and entities controlled by the taxpayers or the taxpayers' dependents do
6 not own or lease, for at least a certain period of time, a motor vehicle required to be
7 registered with a state; making the credit refundable under certain circumstances;
8 requiring the Motor Vehicle Administration to provide certain information to the
9 Comptroller; and generally relating to an income tax credit for not owning or leasing
10 a motor vehicle.

11 BY adding to
12 Article – Tax – General
13 Section 10–757
14 Annotated Code of Maryland
15 (2022 Replacement Volume)

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

18 **Article – Tax – General**

19 **10–757.**

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

22 **(2) “MOTOR VEHICLE” MEANS A VEHICLE REQUIRED TO BE**
23 **REGISTERED UNDER § 13–402 OF THE TRANSPORTATION ARTICLE OR UNDER THE**
24 **LAWS OF ANOTHER STATE.**

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 **(3) “QUALIFIED TAXPAYER” MEANS:**

2 **(I) AN INDIVIDUAL FILING AN INCOME TAX RETURN WHO HAS A**
3 **FEDERAL ADJUSTED GROSS INCOME FOR THE TAXABLE YEAR OF \$40,000 OR LESS;**
4 **OR**

5 **(II) A MARRIED COUPLE FILING A JOINT INCOME TAX RETURN**
6 **THAT HAS A FEDERAL ADJUSTED GROSS INCOME FOR THE TAXABLE YEAR OF**
7 **\$60,000 OR LESS.**

8 **(B) IT IS THE INTENT OF THE GENERAL ASSEMBLY THAT THE TAX CREDIT**
9 **UNDER THIS SECTION ASSIST IN MEETING THE STATE’S AMBITIOUS CLIMATE GOALS**
10 **AND REDUCE GREENHOUSE GAS EMISSIONS FROM PERSONAL MOTOR VEHICLES BY**
11 **INCENTIVIZING QUALIFIED TAXPAYERS TO GIVE UP A MOTOR VEHICLE AND**
12 **REWARDING QUALIFIED TAXPAYERS FOR NOT USING A MOTOR VEHICLE IN ORDER**
13 **TO HELP THE ENVIRONMENT AND CREATE HEALTHIER COMMUNITIES.**

14 **(C) (1) FOR A TAXABLE YEAR BEGINNING AFTER DECEMBER 31, 2022,**
15 **BUT BEFORE JANUARY 1, 2028, AND SUBJECT TO SUBSECTION (D) OF THIS SECTION,**
16 **A QUALIFIED TAXPAYER MAY CLAIM A CREDIT AGAINST THE STATE INCOME TAX IN**
17 **AN AMOUNT EQUAL TO \$1,000 IF, FOR AT LEAST 6 MONTHS DURING THE TAXABLE**
18 **YEAR:**

19 **(I) NO INDIVIDUAL IN THE QUALIFIED TAXPAYER’S**
20 **HOUSEHOLD, INCLUDING THE QUALIFIED TAXPAYER, OWNED OR LEASED A MOTOR**
21 **VEHICLE; AND**

22 **(II) NO ENTITY IN WHICH THE QUALIFIED TAXPAYER OR A**
23 **DEPENDENT OF THE QUALIFIED TAXPAYER HOLDS A CONTROLLING INTEREST**
24 **OWNED OR LEASED A MOTOR VEHICLE.**

25 **(2) IF THE CREDIT ALLOWED UNDER THIS SECTION IN ANY TAXABLE**
26 **YEAR EXCEEDS A QUALIFIED TAXPAYER’S STATE INCOME TAX FOR THAT TAXABLE**
27 **YEAR:**

28 **(I) THE QUALIFIED TAXPAYER MAY CLAIM A REFUND IN THE**
29 **AMOUNT OF THE EXCESS; OR**

30 **(II) ANY UNUSED CREDIT AMOUNT MAY BE CARRIED FORWARD**
31 **AND APPLIED TO SUCCEEDING TAXABLE YEARS UNTIL THE FULL AMOUNT OF THE**
32 **CREDIT IS USED.**

1 **(D) (1) IN ORDER TO CLAIM THE CREDIT ALLOWED UNDER THIS SECTION,**
2 **A QUALIFIED TAXPAYER SHALL SUBMIT WITH THE QUALIFIED TAXPAYER'S INCOME**
3 **TAX RETURN, ON A FORM OR IN THE MANNER REQUIRED BY THE COMPTROLLER, A**
4 **STATEMENT THAT, FOR AT LEAST 6 MONTHS DURING THE TAXABLE YEAR:**

5 **(I) NO INDIVIDUAL IN THE QUALIFIED TAXPAYER'S**
6 **HOUSEHOLD, INCLUDING THE QUALIFIED TAXPAYER, OWNED OR LEASED A MOTOR**
7 **VEHICLE; AND**

8 **(II) NO ENTITY IN WHICH THE QUALIFIED TAXPAYER OR A**
9 **DEPENDENT OF THE QUALIFIED TAXPAYER HOLDS A CONTROLLING INTEREST**
10 **OWNED OR LEASED A MOTOR VEHICLE.**

11 **(2) ON REQUEST FROM THE COMPTROLLER, THE MOTOR VEHICLE**
12 **ADMINISTRATION SHALL PROVIDE TO THE COMPTROLLER ANY INFORMATION**
13 **NECESSARY TO VERIFY THE INFORMATION PROVIDED BY A QUALIFIED TAXPAYER**
14 **UNDER PARAGRAPH (1) OF THIS SUBSECTION.**

15 **(E) ON OR BEFORE JULY 1, 2026, THE COMPTROLLER SHALL, IN**
16 **ACCORDANCE WITH § 2-1257 OF THE STATE GOVERNMENT ARTICLE, SUBMIT A**
17 **REPORT TO THE SENATE BUDGET AND TAXATION COMMITTEE AND THE HOUSE**
18 **WAYS AND MEANS COMMITTEE ON:**

19 **(1) THE NUMBER OF QUALIFIED TAXPAYERS WHO HAVE CLAIMED A**
20 **CREDIT UNDER THIS SECTION; AND**

21 **(2) THE TOTAL AMOUNT OF THE CREDITS CLAIMED UNDER THIS**
22 **SECTION.**

23 **(F) THE COMPTROLLER AND THE MOTOR VEHICLE ADMINISTRATION**
24 **JOINTLY SHALL ADOPT REGULATIONS TO CARRY OUT THIS SECTION.**

25 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
26 1, 2023. It shall remain effective for a period of 5 years and, at the end of June 30, 2028,
27 this Act, with no further action required by the General Assembly, shall be abrogated and
28 of no further force and effect.