

# HOUSE BILL 216

Q5, R7, M5  
HB 689/24 – ENT

(PRE-FILED)

5lr1623

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By: **Delegate Fraser-Hidalgo**

Requested: November 1, 2024

Introduced and read first time: January 8, 2025

Assigned to: Environment and Transportation

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## A BILL ENTITLED

1 AN ACT concerning

2 **Electric Vehicles – Repeal of Excise Tax Credit and Establishment of Rebate**  
3 **Program**

4 FOR the purpose of repealing the electric vehicle excise tax credit; establishing the Electric  
5 Vehicle Rebate Program; requiring the Motor Vehicle Administration to establish a  
6 website to administer the rebate program; requiring a participating dealer to provide  
7 a rebate to an eligible buyer at the time the buyer purchases an eligible vehicle;  
8 requiring the Administration to reimburse a dealer for rebates provided by the  
9 dealer; providing that the “total purchase price” of a vehicle on which the vehicle  
10 excise tax is imposed may not be reduced by the amount of a rebate; and generally  
11 relating to electric vehicle incentives.

12 BY adding to  
13 Article – Transportation  
14 Section 12–121 and 13–809(a)(3)(iv)  
15 Annotated Code of Maryland  
16 (2020 Replacement Volume and 2024 Supplement)

17 BY repealing and reenacting, with amendments,  
18 Article – Transportation  
19 Section 13–809(a)(3)(i)  
20 Annotated Code of Maryland  
21 (2020 Replacement Volume and 2024 Supplement)

22 BY repealing  
23 Article – Transportation  
24 Section 13–815  
25 Annotated Code of Maryland  
26 (2020 Replacement Volume and 2024 Supplement)

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 BY repealing and reenacting, with amendments,  
2 Chapter 234 of the Acts of the General Assembly of 2022  
3 Section 2

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

6 **Article – Transportation**

7 **12–121.**

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

10 (2) “PARTICIPATING DEALER” MEANS A DEALER THAT CHOOSES TO  
11 PROVIDE THE REBATE UNDER THIS SECTION TO THE DEALER’S CUSTOMERS.

12 (3) “PROGRAM WEBSITE” MEANS A WEBSITE ESTABLISHED BY THE  
13 ADMINISTRATION TO ADMINISTER THE REBATE UNDER THIS SECTION.

14 (4) “ZERO-EMISSION PLUG-IN ELECTRIC DRIVE VEHICLE” MEANS A  
15 MOTOR VEHICLE THAT:

16 (I) IS MADE BY A MANUFACTURER;

17 (II) HAS A MAXIMUM SPEED CAPABILITY OF AT LEAST 55 MILES  
18 PER HOUR; AND

19 (III) IS PROPELLED BY AN ELECTRIC MOTOR THAT DRAWS  
20 ELECTRICITY FROM A BATTERY THAT IS CAPABLE OF BEING RECHARGED FROM AN  
21 EXTERNAL SOURCE OF ELECTRICITY.

22 (B) THIS SECTION APPLIES ONLY TO:

23 (1) A ZERO-EMISSION PLUG-IN ELECTRIC DRIVE VEHICLE THAT:

24 (I) HAS NOT BEEN MODIFIED FROM ORIGINAL MANUFACTURER  
25 SPECIFICATIONS;

26 (II) IS ACQUIRED FOR USE OR LEASE BY THE TAXPAYER AND  
27 NOT FOR RESALE;

28 (III) HAS A BASE PURCHASE PRICE NOT EXCEEDING \$50,000;

1 (IV) HAS A BATTERY CAPACITY OF AT LEAST 5.0  
2 KILOWATT-HOURS; AND

3 (V) IS PURCHASED NEW AND TITLED FOR THE FIRST TIME ON  
4 OR AFTER JULY 1, 2026, BUT BEFORE JULY 1, 2028; AND

5 (2) A FUEL CELL ELECTRIC VEHICLE THAT:

6 (I) HAS NOT BEEN MODIFIED FROM ORIGINAL MANUFACTURER  
7 SPECIFICATIONS;

8 (II) IS ACQUIRED FOR USE OR LEASE BY THE TAXPAYER AND  
9 NOT FOR RESALE;

10 (III) HAS A BASE PURCHASE PRICE NOT EXCEEDING \$50,000;  
11 AND

12 (IV) IS PURCHASED NEW AND TITLED FOR THE FIRST TIME ON  
13 OR AFTER JULY 1, 2026, BUT BEFORE JULY 1, 2028.

14 (C) THERE IS AN ELECTRIC VEHICLE REBATE PROGRAM.

15 (D) SUBJECT TO AVAILABLE FUNDING, A REBATE IS ALLOWED FOR A  
16 ZERO-EMISSION PLUG-IN ELECTRIC DRIVE VEHICLE OR FUEL CELL ELECTRIC  
17 VEHICLE.

18 (E) SUBJECT TO SUBSECTION (F) OF THIS SECTION, THE REBATE ALLOWED  
19 UNDER THIS SECTION SHALL EQUAL:

20 (1) \$3,000 FOR EACH ZERO-EMISSION PLUG-IN ELECTRIC DRIVE  
21 VEHICLE OR FUEL CELL ELECTRIC VEHICLE PURCHASED; OR

22 (2) (I) \$1,000 FOR EACH TWO-WHEELED ZERO-EMISSION  
23 ELECTRIC MOTORCYCLE PURCHASED; OR

24 (II) \$2,000 FOR EACH THREE-WHEELED ZERO-EMISSION  
25 ELECTRIC MOTORCYCLE OR AUTOCYCLE PURCHASED.

26 (F) THE REBATE ALLOWED UNDER THIS SECTION IS LIMITED TO THE  
27 ACQUISITION OF:

28 (1) ONE VEHICLE PER INDIVIDUAL; AND

29 (2) 10 VEHICLES PER BUSINESS ENTITY.

1           **(G) A REBATE MAY NOT BE CLAIMED UNDER THIS SECTION FOR A VEHICLE**  
2 **UNLESS THE VEHICLE IS REGISTERED IN THE STATE.**

3           **(H) (1) THE ADMINISTRATION SHALL ADMINISTER THE REBATE UNDER**  
4 **THIS SECTION.**

5                   **(2) THE REBATE UNDER THIS SECTION MAY BE PROVIDED ONLY IN**  
6 **ACCORDANCE WITH THIS SUBSECTION.**

7                   **(3) THE ADMINISTRATION SHALL ESTABLISH A PROGRAM WEBSITE.**

8                   **(4) SUBJECT TO AVAILABLE FUNDING AND THE REQUIREMENTS OF**  
9 **THIS SECTION, A PARTICIPATING DEALER SHALL PROVIDE THE REBATE UNDER THIS**  
10 **SECTION TO AN ELIGIBLE BUYER AT THE TIME THE BUYER PURCHASES AN ELIGIBLE**  
11 **VEHICLE.**

12                   **(5) A PARTICIPATING DEALER SHALL PROVIDE THE REBATE TO A**  
13 **BUYER IN THE FORM OF A REDUCTION OF THE VEHICLE'S PURCHASE PRICE EQUAL**  
14 **TO THE FULL AMOUNT OF THE REBATE FOR WHICH THE VEHICLE PURCHASED IS**  
15 **ELIGIBLE.**

16                   **(6) ON AT LEAST A DAILY BASIS, A PARTICIPATING DEALER SHALL**  
17 **REPORT TO THE ADMINISTRATION THROUGH THE PROGRAM WEBSITE EACH SALE**  
18 **OF A VEHICLE FOR WHICH THE PARTICIPATING DEALER PROVIDED A REBATE.**

19                   **(7) (I) THE ADMINISTRATION SHALL REQUIRE A DEALER TO**  
20 **REPORT THROUGH THE PROGRAM WEBSITE INFORMATION REGARDING VEHICLES**  
21 **SOLD THAT THE ADMINISTRATION CONSIDERS NECESSARY TO ADMINISTER THE**  
22 **REBATE PROGRAM.**

23                           **(II) THE INFORMATION THE ADMINISTRATION REQUIRES**  
24 **UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH SHALL BE SUBSTANTIALLY**  
25 **SIMILAR TO THE INFORMATION REQUIRED BY THE INTERNAL REVENUE SERVICE**  
26 **FOR DEALERS TO RECEIVE A TRANSFER OF THE CLEAN VEHICLE CREDIT UNDER §**  
27 **30D(G) OF THE INTERNAL REVENUE CODE OR THE PREVIOUSLY OWNED CLEAN**  
28 **VEHICLE CREDIT UNDER § 25E(F) OF THE INTERNAL REVENUE CODE.**

29                   **(8) THE ADMINISTRATION SHALL:**

30                           **(I) ESTABLISH A PROCESS THROUGH WHICH A DEALER MAY**  
31 **CLAIM REIMBURSEMENT THROUGH THE PROGRAM WEBSITE FOR REBATES**  
32 **PROVIDED BY THE DEALER;**

1                   **(II) PROCESS CLAIMS FOR REIMBURSEMENT AS**  
 2 **EXPEDITIOUSLY AS PRACTICABLE; AND**

3                   **(III) PAY ALL REIMBURSEMENTS FROM THE TRANSPORTATION**  
 4 **TRUST FUND.**

5                   **(9) THE ADMINISTRATION SHALL MONITOR THE AGGREGATE**  
 6 **AMOUNT OF REBATES AWARDED IN EACH FISCAL YEAR AND NOTIFY DEALERS**  
 7 **THROUGH THE PROGRAM WEBSITE WHEN THE AVAILABLE FUNDING FOR THE FISCAL**  
 8 **YEAR IS EXHAUSTED AND NO FURTHER REBATES MAY BE PROVIDED.**

9 13–809.

10           (a)   (3)   (i)   Subject to subparagraphs (ii) [and], (iii), **AND (IV)** of this  
 11 paragraph, “total purchase price” means the price of a vehicle agreed on by the buyer and  
 12 the seller, including any dealer processing charge, less an allowance for trade-in but with  
 13 no allowance for other nonmonetary consideration.

14                   **(IV) THE “TOTAL PURCHASE PRICE” MAY NOT BE REDUCED BY**  
 15 **THE AMOUNT OF A REBATE PROVIDED UNDER § 12–121 OF THIS ARTICLE.**

16 [13–815.

17           (a)   (1)   In this section the following words have the meanings indicated.

18                   (2)   “Autocycle” has the meaning stated in § 11–103.4 of this article.

19                   (3)   “Excise tax” means the tax imposed under § 13–809 of this subtitle.

20                   (4)   “Zero-emission plug-in electric drive vehicle” means a motor vehicle  
 21 that:

22                           (i)   Is made by a manufacturer;

23                           (ii)   Has a maximum speed capability of at least 55 miles per hour;

24 and

25                           (iii)   Is propelled by an electric motor that draws electricity from a  
 26 battery that:

27                                   1.   Has a capacity of not less than 4 kilowatt-hours; and

28                                   2.   Is capable of being recharged from an external source of  
 29 electricity.

30           (b)   This section applies only to:

- 1           (1)    A zero-emission plug-in electric drive vehicle that:
- 2                   (i)     Has not been modified from original manufacturer specifications;
- 3                   (ii)    Is acquired for use or lease by the taxpayer and not for resale;
- 4                   (iii)  Has a base purchase price not exceeding \$50,000;
- 5                   (iv)  Has a battery capacity of at least 5.0 kilowatt-hours; and
- 6                   (v)    Is purchased new and titled for the first time on or after July 1,  
7 2023, but before July 1, 2027; and
- 8           (2)    A fuel cell electric vehicle that:
- 9                   (i)     Has not been modified from original manufacturer specifications;
- 10                  (ii)  Is acquired for use or lease by the taxpayer and not for resale;
- 11                  (iii)  Has a base purchase price not exceeding \$50,000; and
- 12                  (iv)  Is purchased new and titled for the first time on or after July 1,  
13 2023, but before July 1, 2027.
- 14           (c)    Subject to available funding, an excise tax credit is allowed for a zero-emission  
15 plug-in electric drive vehicle or fuel cell electric vehicle.
- 16           (d)    Subject to subsection (e) of this section, the credit allowed under this section  
17 shall equal:
- 18                   (1)    \$3,000 for each zero-emission plug-in electric drive vehicle or fuel cell  
19 electric vehicle purchased; or
- 20                   (2)    (i)     \$1,000 for each two-wheeled zero-emission electric motorcycle  
21 purchased; or
- 22                           (ii)  \$2,000 for each three-wheeled zero-emission electric motorcycle  
23 or autocycle purchased.
- 24           (e)    The credit allowed under this section is limited to the acquisition of:
- 25                   (1)    One vehicle per individual; and
- 26                   (2)    10 vehicles per business entity.
- 27           (f)    A credit may not be claimed under this section:

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

2 (2) Unless the manufacturer has already conformed to any applicable State  
3 or federal laws or regulations governing clean-fuel vehicle or electric vehicle purchases  
4 applicable during the calendar year in which the vehicle is titled.

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

7 **Chapter 234 of the Acts of 2022**

8 SECTION 2. AND BE IT FURTHER ENACTED, That:

9 (a) Subject to subsection (b) of this section and notwithstanding any other  
10 provision of law, for [each of] fiscal [years 2024 through] **YEAR 2027**, the Maryland Energy  
11 Administration shall transfer from the Strategic Energy Investment Fund established  
12 under § 9-20B-05 of the State Government Article to the Transportation Trust Fund the  
13 amount determined under subsection (b) of this section to offset [a reduction in revenues  
14 from the vehicle excise tax credit] **THE COST OF REBATES** for qualified zero-emission  
15 plug-in electric drive vehicles, fuel cell electric vehicles, two-wheeled  
16 zero-emission electric motorcycles, and three-wheeled zero-emission electric motorcycles  
17 or autocycles under [§ 13-815] **§ 12-121** of the Transportation Article, as enacted by  
18 [Section 1 of this Act] **CHAPTER \_\_ (H.B. \_\_) (5LR1623) OF THE ACTS OF THE**  
19 **GENERAL ASSEMBLY OF 2025.**

20 (b) (1) Subject to paragraph (2) of this subsection, for [each] fiscal year **2027**  
21 the Maryland Energy Administration shall determine the amount to transfer under  
22 subsection (a) of this section.

23 (2) For [each of] fiscal [years 2024 through] **YEAR 2027**, the amount  
24 transferred under subsection (a) of this section may not exceed the lesser of \$8,250,000 or  
25 the total amount of [credits] **REBATES** allowed [against the excise tax] for that fiscal year.

26 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July  
27 1, 2026.