

Chapter 783

(House Bill 1554)

AN ACT concerning

Sales and Use Tax – Electricity for Agriculture Purposes – Study and Report

FOR the purpose of requiring the Comptroller, in consultation with certain entities, to study and report to the General Assembly, on or before a certain date, on exempting from the sales and use tax electricity used for agricultural purposes under certain circumstances; and generally relating to the sales and use tax.

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
That:

(a) On or before December 15, 2026, the Office of the Comptroller, in consultation with the Public Service Commission and PJM Interconnection, LLC, shall study and report to the General Assembly, in accordance with § 2–1257 of the State Government Article, on exempting electricity from the sales and use tax if that electricity is purchased by a farmer to:

- (1) raise livestock or poultry;
- (2) prepare, irrigate, or tend the soil; or
- (3) plant, service, harvest, store, clean, dry, or transport seeds or crops.

(b) The report required under subsection (a) of this section shall include an estimate of the fiscal impact of an exemption described under subsection (a) of this section.

(c) On request of the Office of the Comptroller, an electric company, as defined under § 1–101 of the Public Utilities Article, shall provide aggregate usage and billing information that the Office of the Comptroller determines to be necessary to prepare the report required under subsection (a) of this section.

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

Approved by the Governor, May 26, 2026.