SENATE BILL 758

Q3 7lr1841
SB 834/16 – B&T CF HB 490

By: **Senator Guzzone**
Introduced and read first time: February 3, 2017
Assigned to: Budget and Taxation

Committee Report: Favorable
Senate action: Adopted with floor amendments
Read second time: March 8, 2017

CHAPTER ______

AN ACT concerning

Income Tax Credit – Energy Storage Systems

FOR the purpose of allowing a credit against the State income tax for certain costs of certain energy storage systems; providing that the credit may not exceed a certain amount; providing that the credit may not be carried forward to another taxable year; requiring a taxpayer claiming the credit to attach certain proof to the taxpayer's return; defining a certain term; providing for the application of this Act; and generally relating to an income tax credit for certain energy storage systems.

BY adding to
Article – Tax – General
Section 10–719
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

10–719.

(A) IN THIS SECTION, "ENERGY STORAGE SYSTEM" MEANS A SYSTEM USED TO STORE ELECTRICAL ENERGY, OR MECHANICAL, CHEMICAL, OR THERMAL

EXPLANATION: **CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.**
[Brackets**]** indicate matter deleted from existing law.
Underlining indicates amendments to bill.
~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.

ENERGY THAT WAS ONCE ELECTRICAL ENERGY, FOR USE AS ELECTRICAL ENERGY AT A LATER TIME OR IN A PROCESS THAT OFFSETS ELECTRICITY USE AT PEAK TIMES.

(B) SUBJECT TO THE LIMITATIONS OF THIS SECTION, A TAXPAYER MAY CLAIM A CREDIT AGAINST THE STATE INCOME TAX FOR THE TOTAL INSTALLED COSTS OF AN ENERGY STORAGE SYSTEM PAID OR INCURRED DURING THE TAXABLE YEAR.

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

(1) (I) FOR AN ENERGY STORAGE SYSTEM INSTALLED ON A RESIDENTIAL PROPERTY, $5,000; OR

(II) FOR AN ENERGY STORAGE SYSTEM INSTALLED ON A COMMERCIAL PROPERTY, $150,000; OR

(2) 30% OF THE TOTAL INSTALLED COSTS OF THE ENERGY STORAGE SYSTEM.

(D) (1) THE TOTAL AMOUNT OF THE CREDIT ALLOWED UNDER THIS SECTION FOR ANY TAXABLE YEAR MAY NOT EXCEED THE STATE INCOME TAX FOR THAT TAXABLE YEAR, CALCULATED BEFORE THE APPLICATION OF THE CREDITS UNDER THIS SECTION AND §§ 10–701 AND 10–701.1 OF THIS SUBTITLE, BUT AFTER THE APPLICATION OF OTHER CREDITS ALLOWABLE UNDER THIS SUBTITLE.

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

(E) THE CREDIT UNDER THIS SECTION MAY NOT BE CLAIMED FOR AN ENERGY STORAGE SYSTEM INSTALLED BEFORE JANUARY 1, ~~2017~~ <u>2018</u>, OR AFTER DECEMBER 31, ~~2021~~ <u>2022</u>.

(F) A TAXPAYER CLAIMING THE CREDIT ALLOWED UNDER THIS SECTION SHALL ATTACH TO THE TAXPAYER'S RETURN, FOR EACH ENERGY STORAGE SYSTEM FOR WHICH THE CREDIT IS CLAIMED, PROOF OF THE TOTAL INSTALLED COSTS OF THE ENERGY STORAGE SYSTEM.

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~~ <u>2017</u>.