

HOUSE BILL 1391

Q5, R4

2lr1177

By: **Delegate Fraser-Hidalgo**

Introduced and read first time: February 15, 2022

Assigned to: Rules and Executive Nominations

A BILL ENTITLED

1 AN ACT concerning

2 **Clean Cars Act of 2022**

3 FOR the purpose of extending and altering, for certain fiscal years, the vehicle excise tax
4 credit for the purchase of certain electric vehicles; decreasing, for purposes of the
5 electric vehicle excise tax credit, the limitation on the maximum total purchase price
6 of certain electric vehicles; reducing the vehicle excise tax credit for certain electric
7 drive vehicles; requiring, for certain fiscal years, a certain amount to be transferred
8 from the Maryland Strategic Energy Investment Fund to the Transportation Trust
9 Fund to offset certain revenue reductions; and generally relating to the electric
10 vehicle excise tax credit.

11 BY repealing and reenacting, with amendments,
12 Article – Transportation
13 Section 13–815
14 Annotated Code of Maryland
15 (2020 Replacement Volume and 2021 Supplement)

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

18 **Article – Transportation**

19 13–815.

20 (a) In this section, “excise tax” means the tax imposed under § 13–809 of this
21 subtitle.

22 (b) This section applies only to:

23 (1) A plug-in electric drive vehicle that:

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



- (i) Has not been modified from original manufacturer specifications;
- (ii) Is acquired for use or lease by the taxpayer and not for resale;
- (iii) Has a total purchase price not exceeding **[\$63,000] \$55,000**;
- (iv) Has a battery capacity of at least 5.0 kilowatt-hours; and
- (v) Is purchased new and titled for the first time on or after July 1, **[2017] 2020**, but before July 1, **[2020] 2025**; and

(2) A fuel cell electric vehicle that:

- (i) Has not been modified from original manufacturer specifications;
- (ii) Is acquired for use or lease by the taxpayer and not for resale;
- (iii) Has a total purchase price not exceeding **[\$63,000] \$55,000**; and
- (iv) Is purchased new and titled for the first time on or after July 1, **[2017] 2020**, but before July 1, **[2020] 2025**.

(c) Subject to available funding, **[a] AN EXCISE TAX** credit is allowed **[against the excise tax imposed]** for a plug-in electric drive vehicle or fuel cell electric vehicle.

(d) **[The] SUBJECT TO SUBSECTION (E) OF THIS SECTION, THE** credit allowed under this section **[may not exceed the lesser of] SHALL EQUAL:**

(1) **[The amount of excise tax paid for the purchase of the vehicle; or**

(2)] \$3,000 FOR EACH ZERO-EMISSION PLUG-IN OR FUEL CELL ELECTRIC VEHICLE PURCHASED;

(2) \$1,500 FOR EACH PLUG-IN ELECTRIC DRIVE HYBRID VEHICLE PURCHASED; OR

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

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

(e) The credit allowed under this section is limited to the acquisition of:

(1) One vehicle per individual; and

(2) 10 vehicles per business entity.

(f) A credit may not be claimed under this section:

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

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

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

SECTION 2. AND BE IT FURTHER ENACTED, That:

(a) Subject to subsection (b) of this section and notwithstanding any other provision of law, for fiscal years 2023 through 2025, inclusive, the Maryland Energy Administration shall transfer from the Strategic Energy Investment Fund established under § 9-20B-05 of the State Government Article to the Transportation Trust Fund the amount determined under subsection (b) of this section to offset a reduction in revenues from the vehicle excise tax credit for qualified plug-in electric drive vehicles, fuel cell electric vehicles, and two- and three-wheeled zero-emission electric motorcycles under § 13-815 of the Transportation Article, as enacted by Section 1 of this Act.

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

(2) For each fiscal year, the amount transferred under subsection (a) of this section may not exceed the lesser of \$10,000,000 or the total amount of credits allowed against the excise tax for that fiscal year.

SECTION 3. AND BE IT FURTHER ENACTED, That § 13-815(b)(1)(iii) and (2)(iii) and (d) of the Transportation Article, as enacted by Section 1 of this Act, shall be construed to apply to vehicles purchased on or after July 1, 2020, and may not be implied or interpreted to have any effect on or application to any vehicles purchased before July 1, 2020.

SECTION 4. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2022.