# HOUSE BILL 216

Q5, R7, M5 5lr1623
HB 689/24 – ENT (PRE–FILED)

By: **Delegate Fraser–Hidalgo**
Requested: November 1, 2024
Introduced and read first time: January 8, 2025
Assigned to: Environment and Transportation

A BILL ENTITLED

AN ACT concerning

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

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

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

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

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

EXPLANATION: **CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.**
**[**Brackets**]** indicate matter deleted from existing law.

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

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

**Article – Transportation**

**12–121.**

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

**(2) "PARTICIPATING DEALER" MEANS A DEALER THAT CHOOSES TO PROVIDE THE REBATE UNDER THIS SECTION TO THE DEALER'S CUSTOMERS.**

**(3) "PROGRAM WEBSITE" MEANS A WEBSITE ESTABLISHED BY THE ADMINISTRATION TO ADMINISTER THE REBATE UNDER THIS SECTION.**

**(4) "ZERO–EMISSION PLUG–IN ELECTRIC DRIVE VEHICLE" MEANS A MOTOR VEHICLE THAT:**

**(I) IS MADE BY A MANUFACTURER;**

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

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

**(B) THIS SECTION APPLIES ONLY TO:**

**(1) A ZERO–EMISSION PLUG–IN ELECTRIC DRIVE 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 BASE PURCHASE PRICE NOT EXCEEDING $50,000;**

**(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, 2026, BUT BEFORE JULY 1, 2028; 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 BASE PURCHASE PRICE NOT EXCEEDING $50,000; AND**

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

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

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

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

**(1) $3,000 FOR EACH ZERO–EMISSION PLUG–IN ELECTRIC DRIVE VEHICLE OR FUEL CELL ELECTRIC VEHICLE PURCHASED; OR**

**(2) (I) $1,000 FOR EACH TWO–WHEELED ZERO–EMISSION ELECTRIC MOTORCYCLE PURCHASED; OR**

**(II) $2,000 FOR EACH THREE–WHEELED ZERO–EMISSION ELECTRIC MOTORCYCLE OR AUTOCYCLE PURCHASED.**

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

**(1) ONE VEHICLE PER INDIVIDUAL; AND**

**(2) 10 VEHICLES PER BUSINESS ENTITY.**

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

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

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

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

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

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

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

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

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

**(8) THE ADMINISTRATION SHALL:**

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

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

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

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

13–809.

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

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

**[**13–815.

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

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

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

(4) "Zero–emission plug–in electric drive vehicle" means a motor vehicle that:

(i) Is made by a manufacturer;

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

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

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

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

(b) This section applies only to:

(1) A zero–emission plug–in electric drive 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 base purchase price not exceeding $50,000;

(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, 2023, but before July 1, 2027; 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 base purchase price not exceeding $50,000; and

(iv) Is purchased new and titled for the first time on or after July 1, 2023, but before July 1, 2027.

(c) Subject to available funding, an excise tax credit is allowed for a zero–emission plug–in electric drive vehicle or fuel cell electric vehicle.

(d) Subject to subsection (e) of this section, the credit allowed under this section shall equal:

(1) $3,000 for each zero–emission plug–in electric drive vehicle or fuel cell electric vehicle purchased; or

(2) (i) $1,000 for each two–wheeled zero–emission electric motorcycle purchased; or

(ii) $2,000 for each three–wheeled zero–emission electric motorcycle or autocycle 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.**]**

**Chapter 234 of the Acts of 2022**

SECTION 2. AND BE IT FURTHER ENACTED, That:

(a) Subject to subsection (b) of this section and notwithstanding any other provision of law, for **[**each of**]** fiscal **[**years 2024 through**]** **YEAR** 2027, 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**]** **THE COST OF REBATES** for qualified zero–emission plug–in electric drive vehicles, fuel cell electric vehicles, two–wheeled zero–emission electric motorcycles, and three–wheeled zero–emission electric motorcycles or autocycles under **[**§ 13–815**]** **§ 12–121** of the Transportation Article, as enacted by **[**Section 1 of this Act**]** **CHAPTER __ (H.B. ___) (5LR1623) OF THE ACTS OF THE GENERAL ASSEMBLY OF 2025**.

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

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

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