Tax Credit for Qualified Plug-In Electric Vehicles

The Act generally defines qualified plug-in electric vehicles and allows a $2,000 tax credit against the state motor vehicle excise tax for qualified plug-in electric drive vehicles.

Submitted as:
Maryland
Chapter 490 of 2010
Status: Enacted into law in 2010.

Suggested State Legislation

(Title, enacting clause, etc.)

Section 1. [Short Title.] This Act shall be cited as “An Act to Establish a Credit against the Motor Vehicle Tax for Qualified Plug-In Electric Vehicles.”

Section 2. [Definitions.] As used in this Act:
(A) “Excise tax” means the tax imposed under [insert citation].
(B) “Qualified plug–in electric drive vehicle” means a motor vehicle that:
   (1) Is made by a manufacturer;
   (2) Is manufactured primarily for use on public streets, roads, and highways;
   (3) Has not been modified from original manufacturer specifications;
   (4) Is acquired for use or lease by the taxpayer and not for resale;
   (5) Is rated at not more than [8,500] pounds unloaded gross vehicle weight;
   (6) Has a maximum speed capability of at least [55] miles per hour;
   (7) Is propelled to a significant extent by an electric motor that draws electricity from a battery that:
      a. For a 4-wheeled motor vehicle, has a capacity of not less than [4 kilowatt hours];
      b. For a 2-wheeled or 3-wheeled motor vehicle, has a capacity of not less than [2.5 kilowatt hours]; and
      c. Is capable of being recharged from an external source of electricity; and
   (8) Is titled by the taxpayer on or after [October 1, 2010], but before [July 1, 2013].

Section 3. [Tax Credit for Qualified Plug-In Electric Vehicles.]
(A) A credit is allowed against the excise tax imposed for a qualified plug–in electric vehicle.
(B) Subject to the limitations under subsections (C) through (E) of this section, the credit allowed under this section equals [one hundred percent] of the excise tax imposed for a vehicle.
(C) The credit allowed under this section may not exceed [$2,000].
(D) The credit allowed under this section is limited to the acquisition of [one] vehicle per individual and [ten] vehicles per business entity.
(E) A credit may not be claimed under this section:
   (1) Unless the vehicle is registered in this state;
(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; or

(3) For a vehicle that was originally registered in another state.

(F) The [state motor vehicle administration] shall administer the credit under this section.

Section 4. [Transfer Funds to Offset Reductions in Revenues from Tax Credit Granted by this Act.] The following amounts shall be transferred from the state [Strategic Energy Investment Fund] established under [insert citation] to the state [Transportation Trust Fund] established under [insert citation] to offset a reduction in revenues from the [Vehicle Excise Tax Credit] for qualified plug-in electric drive vehicles established under this Act:

(1) For [fiscal year 2011], [insert amount];
(2) For [fiscal year 2012], [insert amount]; and
(3) For [fiscal year 2013], [insert amount].

Section 5. [Severability.] [Insert severability clause.]

Section 6. [Repealer.] [Insert repealer clause.]

Section 7. [Effective Date.] [Insert effective date.]