

(I) WHEN INSTALLED IN CONNECTION WITH A STRUCTURE, USES SOLAR ENERGY FOR THE PURPOSE OF PROVIDING HOT WATER FOR USE WITHIN THE STRUCTURE; AND

(II) MEETS APPLICABLE PERFORMANCE AND QUALITY STANDARDS AND CERTIFICATION REQUIREMENTS IN EFFECT AT THE TIME OF ACQUISITION OF THE PROPERTY, AS SPECIFIED BY THE MARYLAND ENERGY ADMINISTRATION.

(B) AN INDIVIDUAL OR A CORPORATION MAY CLAIM A CREDIT AGAINST THE STATE INCOME TAX FOR A TAXABLE YEAR AS PROVIDED IN THIS SECTION FOR THE COSTS OF SOLAR WATER HEATING PROPERTY OR PHOTOVOLTAIC PROPERTY PLACED IN SERVICE DURING THE TAXABLE YEAR.

(C) (1) SUBJECT TO THE LIMITATIONS UNDER PARAGRAPH (2) OF THIS SUBSECTION, THE CREDIT ALLOWED UNDER THIS SECTION INCLUDES 15% OF THE TOTAL INSTALLED COST OF PHOTOVOLTAIC PROPERTY OR SOLAR WATER HEATING PROPERTY.

(2) THE CREDIT ALLOWED UNDER THIS SUBSECTION MAY NOT EXCEED:

(I) \$2,000 FOR EACH SYSTEM FOR PHOTOVOLTAIC PROPERTY; AND

(II) \$1,000 FOR EACH SYSTEM FOR SOLAR WATER HEATING PROPERTY.

(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 APPLICATION OF THE CREDITS UNDER THIS SECTION AND §§ 10-701 AND 10-701.1 OF THIS SUBTITLE, BUT AFTER APPLICATION OF THE OTHER CREDITS ALLOWABLE UNDER THIS SUBTITLE.

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

(E) EXCEPT AS OTHERWISE PROVIDED IN THIS TITLE, FOR PURPOSES OF DETERMINING MARYLAND TAXABLE INCOME, THE BASIS OF PROPERTY WITH RESPECT TO WHICH THE CREDIT UNDER THIS SECTION IS ALLOWED SHALL BE ITS BASIS FOR FEDERAL INCOME TAX PURPOSES.

(F) THE CREDIT UNDER THIS SECTION MAY NOT BE CLAIMED FOR PROPERTY PLACED IN SERVICE:

(1) BEFORE JULY 1, 2000; OR

(2) AFTER DECEMBER 31, 2004.

SECTION 3. AND BE IT FURTHER ENACTED, That the Laws of Maryland read as follows: