BY adding to
Article – Tax – General
Section 10–726
Annotated Code of Maryland
(2004 Replacement Volume and 2007 Supplement)

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

Article – Tax – General

10–726.

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

(2) "BIO–HEATING OIL" MEANS HEATING OIL WITH A BLEND OF AT LEAST 5% BIODIESEL.

(3) "ADMINISTRATION" MEANS THE MARYLAND ENERGY ADMINISTRATION.

(B) AN INDIVIDUAL OR CORPORATION THAT RECEIVES AN INITIAL CREDIT CERTIFICATE UNDER SUBSECTION (D) OF THIS SECTION FROM THE ADMINISTRATION MAY CLAIM A CREDIT AGAINST THE STATE INCOME TAX FOR A TAXABLE YEAR IN AN AMOUNT EQUAL TO ~~5~~ *3* CENTS FOR EACH GALLON OF BIO–HEATING OIL PURCHASED FOR SPACE OR WATER HEATING.

(C) (1) FOR ANY TAXABLE YEAR, THE CREDIT ALLOWED UNDER THIS SECTION MAY NOT EXCEED THE LESSER OF:

(I) $500; OR

(II) THE STATE INCOME TAX FOR THAT TAXABLE YEAR.

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

(D) (1) ON APPLICATION BY A TAXPAYER, THE MARYLAND ENERGY ADMINISTRATION SHALL ISSUE AN INITIAL CREDIT CERTIFICATE FOR THE NUMBER OF GALLONS OF BIO–HEATING OIL PURCHASED BY THE TAXPAYER FOR SPACE OR WATER HEATING.