

**Title 11**  
**DEPARTMENT OF TRANSPORTATION**  
**Subtitle 15 MOTOR VEHICLE ADMINISTRATION—VEHICLE**  
**REGISTRATION**

**11.15.36 Tax Credit Certificate**

*Authority: Commercial Law Article, §§14-1502 and 14-1503; Tax-General Article, §10-734.1(g); Transportation Article, §§12-104(b), 13-808, and 13-817; Annotated Code of Maryland*

**Notice of Proposed Action**

[17-183-P]

The Administrator of the Motor Vehicle Administration proposes to adopt new Regulations .01—.04 under a new chapter, **COMAR 11.15.36 Tax Credit Certificate**.

**Statement of Purpose**

The purpose of this action is to adopt new regulations to set procedures for the issuance of a Tax Credit Certificate for an individual to claim a credit against the State Income Tax for the expense of registering a Class F vehicle in the State during the taxable year in order to conform to Chapter 502, Senate Bill 57, Acts of 2017.

**Comparison to Federal Standards**

There is no corresponding federal standard to this proposed action.

**Estimate of Economic Impact**

**I. Summary of Economic Impact.** These expenditures would include, external (outside vendor) programming costs estimated to be \$91,500.

The Administration would not issue an aggregate amount to Tax Credits Certificates totaling more than \$10,000 to any one taxpayer or not to exceed more than \$500,000 to all taxpayers for any taxable year.

Based on the information contained in this fiscal impact statement, the estimated economic impacts (net) are as follows: (1) to MDOT/MVA, an estimated \$91,500 expenditures in FY 17 (based on a July 1, 2017 effective date); (2) to other State agencies (Comptroller's Office), an estimated \$500,000 in expenditures; and (3) to the public, an estimated \$500,000 in cost savings.

<b>II. Types of Economic Impact.</b>	Revenue (R+/R-)	Magnitude
	Expenditure (E+/E-)	
A. On issuing agency: (MVA)	(E+)	\$ 91,500
B. On other State agencies: (Comptroller)	(E+)	\$ 500,000

C. On local governments: NONE

	Benefit (+) Cost (-)	Magnitude
D. On regulated industries or trade groups:	NONE	
E. On other industries or trade groups:	NONE	
F. Direct and indirect effects on public:	(+)	\$ 500,000

**III. Assumptions.** (Identified by Impact Letter and Number from Section II.)

A. Based on the assumptions and information included in the fiscal impact statement, this regulation change would have an impact on MVA/MDOT expenditure in FY17. These expenditures would include, external (outside vendor) programming cost estimated to be \$91,500.

B. Based on the language in this proposed regulation, for any taxable year, the Administration may not issue an aggregate amount of Tax Credit Certificates totaling more than \$500,000. The tax credits would be used to claim a credit against the State income tax. As such, the Comptroller's Office would be responsible for issuing the funds associated with the tax credits. NOTE: This fiscal impact statement is making the assumption that the full \$500,000 in tax credits would be claimed in each taxable year.

F. Based on the language in this proposed regulations, the Administration shall approve all applications that qualify for a Tax Credit Certificate on a first-come, first-serve basis and tax credits shall not total more than \$500,000. NOTE: This fiscal impact statement is making the assumption that the full \$500,000 in tax credits would be claimed in each taxable year.

**Economic Impact on Small Businesses**

The proposed action has minimal or no economic impact on small businesses.

**Impact on Individuals with Disabilities**

The proposed action has no impact on individuals with disabilities.

**Opportunity for Public Comment**

Comments may be sent to Tracey C. Sheffield, Regulations Coordinator, Motor Vehicle Administration, 6601 Ritchie Highway N.E., Room 200, Glen Burnie, MD 21062, or call 410-768-7545, or email to [tsheffield@mdot.state.md.us](mailto:tsheffield@mdot.state.md.us), or fax to 410-768-7506. Comments will be accepted through August 7, 2017. A public hearing has not been scheduled.

**.01 Applicability.**

*This chapter applies to the issuance of a Tax Credit Certificate for an individual or a corporation to claim a credit against the State Income Tax for the expense of registering a qualified vehicle in the State during the taxable year, as set forth in Tax-General Article, §10-734.1, Annotated Code of Maryland.*

**.02 Definitions.**

A. *In this chapter, the following terms have the meanings indicated.*

B. *Terms Defined.*

(1) *“Administration” means the Motor Vehicle Administration.*

(2) *“Comptroller” means the Comptroller of Maryland.*

(3) *“Qualified vehicle” means a class F (tractor) vehicle described under Transportation Article, §13-923, Annotated Code of Maryland, that is titled and registered in the State.*

(4) *“Tax Credit Certificate” means a certificate issued by the Administration that certifies, a vehicle owner meets the requirements to claim a credit against the State Income Tax for the expense of registering the qualified vehicle in the State during the taxable year, as set forth under this chapter and in Tax-General Article, §10-734.1, Annotated Code of Maryland.*

**.03 Applying for a Tax Credit Certificate.**

A. *An individual or a corporation seeking a Tax Credit Certificate shall apply for a certificate in a format prescribed by the Administration.*

B. *An applicant for a Tax Credit Certificate shall provide the Administration with a completed application, including the title number of the vehicle for which credit is sought.*

**.04 Issuance of a Tax Credit Certificate.**

A. *In accordance with the Tax-General Article, §10-734.1, Annotated Code of Maryland, the Administration shall issue a Tax Credit Certificate.*

B. *The Administration may not issue a Tax Credit Certificate, for any taxable year, if:*

(1) *The required documents are not furnished or the information is incomplete; or*

(2) *The aggregate amount of Tax Credit Certificates exceeds the amount as set forth under Tax-General Article, §10-734.1(c)(2), Annotated Code of Maryland.*

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Administrator  
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