

**D-06-17-01**

**Date:** June 21, 2017  
**Bulletin:** All Dealers and Tag & Title Services  
**From:** Business Licensing and Consumer Services  
**RE:** Tax Credits, Estates & Trusts, and Insurance Card

Please be guided by the below regarding legislation that goes into effective on July 1, 2017.

**HB 406 \ SB 393 - Clean Cars Act of 2017**

The Motor Vehicle Administration shall again administer the Excise Tax Credit for Plug-in Electric Vehicles. The vehicle must meet the following conditions to qualify for excise tax credit:

- Has not been modified from the original manufacturer specifications;
- Is acquired for use or lease by the taxpayer and not for resale;
- Has a total purchase price not exceeding \$60,000;
- Has a battery capacity of at least 5.0 Kilowatt-Hours
- Is purchased new and titled for the first time on or after July 1, 2017, but before July 1, 2020;
- The tax credit is not retroactive;
- Credit is limited to the acquisition of one plug-in electric vehicle per individual, or 10 per business entity
- A credit “may not be claimed” for a vehicle unless the vehicle is registered in this State.

**Hybrid vehicles do not qualify for the excise tax credit.**

The excise credit is calculated as follows:

- The product of \$100.00 times the kilowatt-hours of the battery capacity of the vehicle not to exceed \$3,000.
- Vehicles with 30 kilowatt-hours and above will only qualify for the maximum credit allowed of \$3,000.

Please complete form VR-334 and submit to Maryland Motor Vehicle Administration, 6601 Ritchie Highway NE, Room 202, Glen Burnie, MD 21062.

## **SB 57 - Income Tax Credit - Class F Vehicles - Modification and Extension**

An individual or corporation (business entity) may claim a credit against the State Income Tax for the expense of registering a Class F Tractor in this State during the taxable year. They must obtain a tax credit certificate from the Motor Vehicle Administration (MVA) The MVA will issue the certificates as follows:

- In the amount of \$400.00 for each Class F tractor registered during the taxable year beginning January 1, 2017 through December 31, 2019.
- During any taxable year, the MVA may not issue a total amount of tax credit certificates amounting to more than:
  - \$10,000 to any one taxpayer; or
  - \$500,000 to all tax payers.
- The certificates will be issued on a first come, first served basis.

When the tax credit certificates are presented to the Comptroller for credit against the State Income Tax:

- The credit allowed may not exceed the State Income Tax for that taxable year, and
  - Any unused amount of the credit may not be carried over to any other taxable year.
- Each taxable year, on or before January 31, the MVA must report to the Comptroller on the tax credit certificates issued.

To apply for the tax credit certificate, the customer must apply online at <http://mva.maryland.gov>.

## **SB 0544 & HB 0720 - Motor Vehicle Insurance - Insurance Identification Card - Carrying Proof of Coverage - Uninsured Motorist Education and Enforcement Fund**

A driver shall be in possession of, or carry in the motor vehicle, a valid insurance identification card for that vehicle, issued by their insurance carrier. The insurance identification card may be in tangible (paper, plastic, etc.) or electronic format. As of July 1, 2017 a person who violates this requirement can be fined \$50.

## **HB 1360 \ SB 449 - Estates and Trusts - Vehicle Transfers - Excise Tax and Fee Exemption**

Vehicles may be transferred, without payment of excise tax or title fee, into and out of trusts, without consideration, under the following conditions:

- The transfer is to a trust that names a beneficiary who would have been excise tax exempt under 13-810, if the transferor would have chosen to transfer the vehicle directly to the beneficiary, but instead chose to transfer the vehicle to the trust naming the person as beneficiary, or
- The vehicle is transferred from a trust to one or more of the beneficiaries of the trust:
  1. Who would have been excise tax exempt, under 13-810, if the transfer had been made to that person directly by the transferor of the vehicle to the trust; or
  2. The transfer is made during the life of the settlor of the trust, and the trustee of the trustee of the trust originally acquired the vehicle for adequate consideration.

To determine that the condition are met for excise tax exemption and title fee exemption, the following documents must be submitted:

- Maryland title with assignment of ownership completed on reverse
- Application for Certificate of Title (form VR-005)
- Trusts – Vehicle Transfers – Excise Tax and Fee Exemption form VR-478 signed and certified by the trustee indicating the reason for the tax/title fee exemption.
- Copy of portion of trust agreement naming the trust, identifying the trustee, and naming the beneficiaries
- If there is a lien on the vehicle title, either a lien release or letter of permission from the lien holder will be required. A vehicle with a lien can be considered as a transfer without consideration.
- Registration Plates on the vehicle cannot be transferred whether the transfer is to the trust, or from the trust under the circumstances above.
- Maryland Safety Inspection required, if registration is desired

These transactions may only be processed by the Motor Vehicle Administration.

Vehicles included in these transfers motor vehicles, trailers, semitrailers, mopeds, motor scooter, or an off-highway recreational vehicles. Also included are motor vehicles, trailers, or semitrailers that are in the interstate operation and registered without a title under 13-109 (C), Vehicle Engaged in Interstate Operations; or (D) Trailer Weighing 2,500 pounds or less, (IRP or Registration Only Trailers).

Should you have any questions or concerns, please contact us at [mvablcslsd@mva.maryland.gov](mailto:mvablcslsd@mva.maryland.gov).