



## Maryland New Tax Credit for Energy Storage Systems

06.13.2017

Maryland's Governor Hogan has signed into law a state income tax credit for specific costs related to energy storage systems installed between January 1, 2018 and December 1, 2022. Systems eligible for the credit are systems that are used to store electrical, mechanical, chemical or thermal energy that was once electrical energy to be used as electrical energy at another time or in a process that would offset electrical use at peak times of electrical use.

The credit applies to both residential and commercial installation. The credit for residential installation is \$5,000.00. The credit for commercial installation is the lesser of \$75,000.00 or 30% of the cost of the system.

There is a \$750,000.00 aggregate cap statewide for the credit, and a taxpayer that wants to utilize the credit must obtain a credit certificate from the Maryland Energy Administration prior to taking the credit. Also, the credit must be taken in the year of the installation, is not subject to a carry forward and cannot exceed the state tax due for that year.

The credit is granted on a "first come – first served" basis. The Comptroller is responsible for the promulgation of regulations in relation to the credit.

### Related People

- Stephanie Lipinski Galland – 202.327.5094 – [slipinskigalland@williamsmullen.com](mailto:slipinskigalland@williamsmullen.com)
- Kyle H. Wingfield – 804.420.6445 – [kwingfield@williamsmullen.com](mailto:kwingfield@williamsmullen.com)

### Related Services

- State & Local Tax
- Tax Law
- Renewable Energy
- Solar Energy
- Energy
- Energy Efficiency