



Larry Hogan, Governor
Boyd K. Rutherford, Lt. Governor
Mary Beth Tung, Director

MARYLAND ENERGY STORAGE INCOME TAX CREDIT (ITC) (TAX YEAR 2019)

Funding Opportunity Announcement (FOA)

January 2019

I. Program Overview

The Maryland Energy Administration (MEA) is pleased to announce the launch of the Tax Year 2019 Maryland Energy Storage Income Tax Credit (ITC) Program (the Program). The Program is designed to encourage the deployment of energy storage systems in Maryland.

The Program is available to residential and commercial taxpayers who have installed an energy storage system on their residential or commercial property in Maryland during Tax Year 2019 (January 1 - December 31, 2019). MEA may award up to \$750,000 in energy storage tax credits on a **first come, first served basis** while funding is available. MEA will not accept applications for Tax Year 2019 after January 15, 2020 at 11:59 pm EST.

MEA is currently reserving \$300,000 for residential taxpayers and \$450,000 for commercial taxpayers. If either of the reserved funding allocations become oversubscribed, eligible applicants will be placed onto a wait list as long as funding remains in the other funding allocation. The reserved funding allocations by category will be removed on August 1, 2019, and tax credits will be assigned to eligible applicants on the waitlist in the order the eligible applications were received. Residential and commercial applicants placed onto the waitlist in Tax Year 2019 cannot be carried over to Tax Year 2020 or any other tax year. Under no circumstances will more than \$750,000 in energy storage income tax credit certificates be awarded in a single Tax Year. MEA will offer this program for Tax Years 2018, 2019, 2020, 2021, and 2022.

For more information about the Maryland Energy Storage Income Tax Credit Program, please visit MEAs [Program webpage](#).

Disclaimer - The Maryland Energy Administration is not a tax office and any/all program guidance should not be considered tax advice. If you have any questions about Maryland State Income Taxes, please contact the Comptroller of Maryland (<http://www.marylandtaxes.gov>) and/or a licensed tax professional.

II. Incentive

Energy storage tax credit certificates are calculated differently for systems installed at residential and commercial properties. A tax credit certificate is calculated as the **lesser amount** of:

- \$5,000 for a residential property; or,
- \$75,000 for a commercial property; or,
- 30 percent of the total costs for installing the storage system.

A fact sheet containing example calculations can be found on MEAs [Program webpage](#).

III. Eligibility

Applicants

The Program is open to the following taxpayers:

1. Commercial taxpayers who have purchased and installed an energy storage system at a commercial property they own; or,
2. Residential taxpayers who have purchased and installed an energy storage system at a residential property they own.

“Commercial Property” means nonresidential property with a commercial, industrial, or government use as outlined in the definition for the “[Commercial Clean Energy Grant](#)” in [COMAR 14.26.04.02 \(5\)](#) and includes multifamily properties.

“Residential Property” means property, including a single-family home and an individual unit of a multifamily property or mixed use facility, that has the purpose of serving as a primary residence, as outlined in [COMAR 14.26.04.02\(18\)](#).

System Technology

An energy storage tax credit may be claimed for qualifying systems that store the following types of energy:

1. Electrical energy;
2. Mechanical energy;
3. Chemical energy (including electrochemical energy); and,
4. Thermal energy that was once electrical energy.

System Use

All energy storage systems must store energy for at least one of the following purposes:

1. For use as electrical energy at a later date; or,
2. In a process that offsets electricity use at peak times.

IV. General Terms and Conditions

Applicants must certify under penalty of perjury that the information provided in Application submissions and all of its attachments are complete, accurate, and true. Applicants must further certify they are authorized to submit the Application on behalf of the Applicant, and agree to the terms and conditions stated below:

1. The Maryland Energy Administration (MEA) may award up to \$750,000 of tax credit certificates for Tax Year 2019 on a **first come, first served basis** while funding is available.
2. Tax credit certificates are calculated as the **lesser amount** of 30 percent of total installed costs of the energy storage system up to \$5,000 for a residential property and \$75,000 for a commercial property.
3. MEA will **not** accept applications for Tax Year 2019 after **January 15, 2020 at 11:59 pm EST**.
4. Submission of an application does not guarantee an energy storage tax credit certificate will be awarded.
5. Program funding is limited and the incentive is structured as outlined above and in the Maryland Energy Storage Income Tax Credit Program documents in accordance with the [Annotated Code of Maryland Article - Tax - General §10-719](#) and [Code of Maryland Regulations \(COMAR\) 14.26.07](#).
6. Energy storage systems must be installed at a residential or commercial property located within the State of Maryland.
7. The residential property where an energy storage system is installed must be the primary residence of the property owner. MEA will verify proof of primary residence via the [Maryland Department of Assessments and Taxation's \(SDAT\) online Real Property Data Search](#) tool.
8. MEA may require additional information proving property ownership and/or primary residency before issuing an energy storage tax credit certificate. Failure to submit these documents, if requested, in a timely manner may impact your success in being awarded an energy storage tax credit certificate.

9. It is in MEA’s sole discretion to determine if an energy storage system is eligible for a residential or commercial tax credit.
10. Energy storage systems must be installed during Tax Year 2019 (January 1, 2019 to December 31, 2019).
11. Tax credits issued in Tax Year 2019 may not be claimed for energy storage systems installed before January 1, 2019 or after December 31, 2019.
12. Residential and commercial applicants placed onto a waitlist queue in Tax Year 2019 cannot be carried over to Tax Year 2020 or any other tax year.
13. MEA will offer the Maryland Energy Storage Income Tax Credit Program for Tax Years 2018, 2019, 2020, 2021, and 2022.
14. Energy storage systems must meet the requirements of all Federal, State, and local laws, regulations, ordinances, and all other legally-binding requirements, including interconnection with the local electric utility and PJM Interconnection, if applicable.
15. Qualifying energy storage systems shall maintain certain safety criteria including:
 - A. Utilize equipment certified by a nationally recognized testing laboratory (NRTL);
 - B. Be installed by a licensed professional (e.g., a licensed electrician for electrical systems); and,
 - C. Be in compliance with all applicable building and fire codes.
16. Commercial taxpayers are limited to one energy storage tax credit certificate in Tax Year 2019.
17. Residential taxpayers are limited to one energy storage tax credit certificate, regardless of tax year.
18. Energy storage tax credit certificates are limited to one per property address, regardless of tax year.
19. Energy storage tax credits shall be applied to an individual’s or business’ Maryland State Income Tax Liability.
20. Any unused amount of an energy storage tax credit may not be carried over to any other taxable year.

21. Energy storage tax credits are non-refundable.
22. Energy storage tax credits may not be claimed for electric vehicles.
23. Energy storage systems that received grant funding from the Game Changer Grant Program, the Resiliency Hub Grant Program, or any other program offered by MEA are ineligible to receive a tax credit certificate from this Program.
24. MEA or its representative(s) may use photos and video of my facility, and data presented in my application for marketing, publicity, and advertising purposes. MEA and its representatives, subject to the requirements of the Maryland Public Information Act, and other applicable laws, will not divulge any confidential information or trade secrets.
25. MEA and its contractors make no representation or warranty and assume no liability with respect to quality, safety, performance, or other aspect of any design, system, or appliance installed pursuant to this application, and expressly disclaim any such representation, warranty, or liability.
26. Program Terms & Conditions are subject to change.

V. Application Submission

MEA may award up to \$750,000 in energy storage tax credits on a **first come, first served basis** while funding is available. MEA currently is reserving \$300,000 for residential taxpayers and \$450,000 for commercial taxpayers. If either of the reserved funding allocations become oversubscribed, eligible applicants will be placed onto a wait list as long as funding remains in the other funding allocation. The funding area allocations by category will be removed on August 1, 2019 and tax credits will be assigned to eligible applicants on the waitlist in the order the eligible applications were received. Residential and commercial applicants placed onto a waitlist in Tax Year 2019 cannot be carried over to Tax Year 2020 or any other tax year. Under no circumstances will more than \$750,000 in energy storage tax credit certificates be awarded in a single Tax Year.

Submitting an application to the Energy Storage Tax Credit Program does not guarantee that you will be awarded a Tax Credit Certificate.

Application

The Energy Storage Tax Credit Program utilizes an online application which can be found on the Energy Storage Tax Credit Program webpage. If a contractor is filling out the application on behalf of the authorized applicant, please download, print, sign, and upload the Signature Page located in the online application and program webpage. The Authorized Signature Page must be signed by both the property owner and the contractor.

MEA will not accept applications for Tax Year 2019 after January 15, 2020 at 11:59 pm EST.

The Energy Storage Tax Credit Program and supporting documents can be found at MEA's [Program webpage](#).

Confidentiality

If any information is deemed confidential, personally identifiable, or proprietary, please contact MEA at energystorage.mea@maryland.gov to identify another way of securely transferring this information.

VI. Required Documents

The following supporting documents must be submitted with your application to the Energy Storage Tax Credit Program.

NOTE: Failure to properly submit required documents may result in your application being delayed in processing or rejected.

1. Proof of real property ownership, if applicable. MEA will review the real property records on the State Department of Assessment and Taxation (SDAT) online [Real Property Data Search](#) tool to determine property ownership and, for residential applicants only, primary residency. If there is a discrepancy with the SDAT real property record, additional proof of real property ownership may need to be submitted prior to an application being able to be deemed eligible;
2. All paid in full invoices (\$0.00-balance) for the energy storage system, installation, and permitting. Please ensure the costs associated with the energy storage system are clearly included separately from any paired renewable energy systems, if applicable;
3. All required permits and proof of final inspection;
4. Equipment certifications from a Nationally Recognized Testing Laboratory (NRTL);
5. Equipment cut-sheets/specification sheets/brochure;
6. Photos of the installed and commissioned energy storage system; and,
7. Any other applicable documentation verifying the energy system has been installed and is

operational.

VII. Claiming the Tax Credit Certificate

Generally, for taxable years beginning after December 31, 2012, taxpayers must file their Maryland income tax return electronically (Form 500 for Corporations, Form 510 and Form 510 Schedule K-1 for Pass-Through Entities, and Form 502 or 505 for Individuals) in order to claim a Business Income Tax Credit. They must complete the Business Tax Credit Form 500CR section of the electronic return and include a binary attachment or PDF of the certification received from the Maryland Energy Administration.

Please see the Comptroller's website, www.marylandtaxes.gov for additional information regarding filing procedures.

VIII. Questions

For questions, suggestions, or more information, please contact Samuel Beirne via email at energystorage.mea@maryland.gov or by phone 410-537-4000.

For questions regarding Maryland State Income Taxes, please contact the Comptroller of Maryland (<http://www.marylandtaxes.gov>) and/or a licensed tax professional.