



Maryland General Assembly
100 State Circle
Annapolis, MD 21401

February 20, 2020

TESTIMONY IN SUPPORT WITH AMENDMENT OF HB 980 (ENERGY STORAGE TAX CREDIT – ALTERATIONS) BEFORE THE MARYLAND STATE LEGISLATURE

Chairman Kaiser, Vice Chair Washington, and Members of the Committee:

Delegates and members of this committee, we would like to register our support for HB 980 with amendment. My name is Corey Ramsden, and I serve as the Vice President for Go Solar Programs at Solar United Neighbors, a non-profit organization of solar homeowners and supporters from all over the state. To date, we have helped our members install 5 MW of solar capacity, with homeowners investing more than \$14 million dollars in the state's clean energy economy. As part of our work, we are also invested in helping Marylanders understand and install battery storage. We do public education on this topic and have published a well-regarded, homeowner-focused guide on storage as part of our work.

In 2018 after the storage tax credit became available, we organized a storage buying group available to any solar owner in Maryland. One of the members of that group, Flawn Williams of Prince George's County, took the tax credit and shared his experience on our listserv. He used the credit but was unable to use the whole amount in a single year due to limited tax liability. In Flawn's words:

"The solar storage income tax credit must be used all in one tax year. And it cannot result in a refund, it can only be used to offset state tax owed (not county/city taxes). I qualified for a credit of \$4740 in 2018, the first year of the storage credit program, but because I didn't owe Maryland that much in tax, I received only \$2915.



This makes the credit rather regressive, benefitting only the upper tier of taxpayers. I would have expected better from Maryland. When my earlier panel installation qualified for a property tax credit from Prince George's County, for example, they limited how much I could take to my county (not city) property tax that year but allowed me to carry over the remaining credit to the following year. ”

We agree with Flawn. While we are in support of this bill, we request one amendment to it. We ask that you consider **adding a provision to enable the tax credit recipient to take the credit spread over two years rather than just one.** Our reasoning here is that commercial interests using the credit will almost certainly maximize the use of this credit by ensuring their tax liability is sufficient to take the full amount but residential homeowners will be unlikely to do so, penalizing them unintentionally. And, as Flawn points out, the current structure favors upper tier income earners.

We urge this committee to support HB 980 with our recommended amendment.

Sincerely,
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