



**TO:** Members, House Ways & Means Committee  
**FROM:** Mary Beth Tung – Director, MEA  
**SUBJECT:** HB 1250 - Maryland Solar Investment Tax Credit and Task Force to Study Solar Energy Incentives  
**DATE:** March 9, 2022

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**MEA Position: Letter of Information**

The Maryland Energy Administration (MEA) strongly supports clean and renewable energy with its bevy of programs, including significant support of solar. MEA offers grants for rooftop solar, community solar, including low-to-moderate income installations, and parking lot solar canopies with integrated electric vehicle supply equipment.

This bill creates a new tax credit program to be administered by MEA, and requires the formation of a new task force to study solar incentives in Maryland.

**The tax credit program places a significant burden on the taxpayer,** requiring applicants to attest in writing that all contractors and subcontractors who were involved in the solar installation process comply with several labor requirements. It is unlikely that an applicant would have access to the information required to attest to the contractor's or subcontractors' compliance.

A new tax credit program would reduce general funds. The bill would offer incentives of no less than 15%, but up to 25% of total installed costs for a solar energy system. Even for a smaller installation, this tax credit would likely be thousands of dollars. **With no cumulative annual cap on credits, the fiscal impacts of the bill are technically unlimited, but very likely significant.**

Current MEA resources could not absorb or support this expected increase in programmatic administration due to this bill. Additionally, the Task Force to Study Solar Incentives created in the bill requires MEA staffing.

Lastly, the bill establishes a new solar incentive before the conclusion of the Task Force study that is for the purpose of making recommendations on solar incentives in the state. **This is the reverse order of what should logically occur.**

MEA urges the committee to consider the proceeding prior to issuing its report.