



Committee: Budget and Taxation
Testimony on: SB469 – Task Force to Study Solar Tax Incentives
Organization: Maryland Legislative Coalition Climate Justice Wing
Submitting: Laurie McGilvray, Co-Chair
Position: Favorable
Hearing Date: February 21, 2022

Dear Chair and Committee Members:

Thank you for allowing our testimony today in support of SB469. The Maryland Legislative Coalition (MLC) Climate Justice Wing, a statewide coalition of over 50 grassroots and professional organizations, urges you to vote favorable with amendments on SB469.

SB469 establishes a Task Force to Study Solar Tax Incentives and make recommendations to the General Assembly by December 15, 2023 on improving the State’s tax strategy to maximize rooftop solar installation; promote the installation of grid-connected renewable energy; and meet the State’s renewable energy goals.

Currently, Maryland’s solar energy tax incentives include four types: 1) sales and use tax exemption; 2) property tax exemption; 3) assessment (for property tax purposes) of solar energy heating and cooling systems; and 4) authorization of local property tax credit. These incentives are designed to promote solar energy generation and to help the State meet its Renewable Portfolio Standard (RPS) carve-out for solar.

In 2023, the RPS requirement is 31.9% from Tier 1 sources, including at least 6.0% from solar. Electric utilities and other electricity suppliers must submit renewable energy credits equal to a percentage of their retail electricity sales or pay an alternative compliance payment for the shortfall. This year, there is an unprecedented level of alternative compliance payment funds, because electric utilities and suppliers have missed the RPS goals. SB469 establishes a taskforce to study the existing tax incentives for solar and make recommendations on how those incentives can be strengthened to promote more solar generation in Maryland.

We recommend a **FAVORABLE** report for SB469 in committee.