



LEGISLATIVE POSITION:

UNFAVORABLE

House Bill 1008

Fossil Fuel Transportation Fee and Mitigation Fund (Climate Pollution Reduction Fund Act)

House Environment & Transportation Committee

Friday, March 1, 2024

Dear Chairman Korman and Members of the Committee:

Founded in 1968, the Maryland Chamber of Commerce is the leading voice for business in Maryland. We are a statewide coalition of more than 6,800 members and federated partners working to develop and promote strong public policy that ensures sustained economic growth and recovery for Maryland businesses, employees, and families.

HB 1008 will impose a new fossil fuel transportation tax of 30 cents per million British thermal units on anyone that transports fossil fuel in Maryland. This legislation imposes a significant tax burden on Marylanders and businesses relying on natural gas and other fuels for essential daily activities, including cooking, heating, and powering businesses. This legislation also penalizes the role of natural gas in reducing greenhouse gas emissions and ensuring energy reliability in Maryland.

The Chamber advocates for a diversified energy approach that considers the affordability and equitable energy needs of all Marylanders. This new tax would lead to increased operating costs for businesses involved in transporting fossil fuels, which ultimately will be passed down to consumers, leading to higher prices for goods and services. It will also increase the cost of energy to end users and lead to higher prices at the gas pump.

While this new tax aims to disincentivize the use of fossil fuels, which serves as reliable and affordable energy options for many Marylanders, there are many concerns about the effectiveness of such measures in achieving environmental goals. Additionally, the tax may disproportionately affect industries that rely on fossil fuels without providing viable alternatives or sufficient support for transitioning. It also seems unfair to allow the tax to be imposed on a subsequent carrier of the fossil fuel if the previous carrier failed to pay the fee. Why place the cost burden on a carrier that had nothing to do with the initial carrier or the carrier before them failing to pay?

For these reasons, the Chamber respectfully requests an **unfavorable report** on **HB 1008**.