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**Committee: Budget and Taxation**

**Testimony on: SB902 - "Coal - Tax Credits and Exemption - Repeal"**

**Position: Support**

**Hearing Date: February 26, 2020**

The Maryland Sierra Club submits this testimony in support of SB902. This bill would repeal franchise tax credits and income tax credits that benefit certain purchasers of Maryland-mined coal, and repeal an exemption to the sales and use tax for the sale of coal used in certain residential properties.

Ending state tax subsidies for coal mining would improve public health and environmental sustainability, as well as increase available funds for more critical state needs, by making an important contribution toward phasing out coal burning in Maryland. Over 85% of Marylanders live in counties that do not meet EPA healthy air standards for smog pollution. Coal-fired plants contribute to smog and high rates of asthma, especially among our most vulnerable citizens. Those plants are responsible for 44% of Maryland's sulfur dioxide emissions, and their emissions of mercury and other toxic substances are an additional burden on public health. Coal also is a major cause of the climate crisis; in Maryland, the electricity sector is the second largest source of greenhouse gas emissions, and coal is responsible for about three-quarters of these emissions. Coal is declining as a fuel source due to less expensive alternatives; phasing out coal will save ratepayers money.

This session, the General Assembly has the opportunity to take major action to advance clean energy and protect public health by enacting bipartisan legislation (HB1545; SB887) to establish a firm timetable to retire Maryland's six coal plants and provide transition assistance to affected workers and communities.

We urge the Committee to issue a favorable report on this legislation.

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Founded in 1892, the Sierra Club is America's oldest and largest grassroots environmental organization. The Maryland Chapter has over 70,000 members and supporters, and the Sierra Club nationwide has approximately 800,000 members.