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Finance Committee

Joint Committees

Children, Youth, and Families

Ending Homelessness

Fair Practices and State Personnel Oversight

Management of Public Funds

Protocol



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Testimony of Senator Joanne C. Benson

SB 329 Income Tax – Credit for the Purchase and Installation of Indoor Air Quality Equipment

Good afternoon Chair Guzzone, Vice Chair Rosapepe, and esteemed members of the Budget & Taxation Committee. Senate Bill 329: Income Tax – Credit for the Purchase and Installation of Indoor Air Quality Equipment aims to create healthy homes and businesses by providing a building incentive.

This bill will help to mitigate the spread of COVID-19 and other airborne viruses and will support healthy indoor air quality in buildings throughout Maryland by creating an incentive for homes and businesses to update their equipment. This will not only help our state fight the spread of COVID-19, it also has long term health benefits and will create local jobs.

Other states such as New York, Tennessee and California have lead the charge with programs that support the Indoor Air quality (IAQ) improvements.

This bill would establish an income tax credit to incentivize investments that will improve indoor air quality for homes and small businesses (with 50 or fewer employees). Specifically the tax credit would be for up to 50% of the costs to purchase and install the equipment, not to exceed \$1,000 for residential, or \$2,000 for small businesses. The bill also requires that the equipment be installed by Maryland-licensed HVAC contractors to ensure it is done properly.

I am amending the bill to match the cross-filed bill that Delegate Brooks has introduced. Delegate Brooks and I are also proposing an amendment to the residential portion of the bill to better address equity. The amendment essentially has two parts:

1. It would require that 30% of the allocated residential tax credits go to low-income households (defined as 200% of the Federal Poverty Level).
2. It would allow renters to also benefit, by broadening the definition of eligible household to not only include homeowners investing in improvements on their own home, but also incentivize landlords (of small multifamily properties with up to 4 units) to make these improvements which would directly benefit their tenants.

While the bill has not been reprinted yet, I ask the Committee to consider SB329 in the context of these added provisions.

Thus, I respectfully urge the committee for a favorable report with amendments on Senate Bill 329.