



Larry Hogan, Governor  
Boyd K. Rutherford, Lt. Governor  
Mary Beth Tung, Director

**TO:** Members, Senate Budget & Taxation Committee  
**FROM:** Mary Beth Tung – Director, MEA  
**SUBJECT:** SB0738 (HB0982) - Income Tax - Mechanical Insulation Installation Tax Credit  
**DATE:** February 24, 2021

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**MEA POSITION: Letter of Information**

MEA will incur administrative burdens as a result of this bill. These burdens are not unworkable, but they would require additional staff.

Energy efficiency measures are quite popular, and insulation is a cost-effective energy efficiency measure. Therefore, MEA would anticipate a large number of applications each year. Additionally, the commercial and industrial mechanical insulation tax credit would be a permanent program administered within MEA.

For these reasons, MEA has estimated that program administration would require at least one Energy Specialist (FKA a Grants Administrator) to adopt the workload associated with HB 60. It may be necessary that MEA employ a full time Program Manager having more substantial experience with, and more intimate knowledge of, the various certifications used to determine eligibility for the proposed tax credit. This expertise would come at a marginally greater expense in comparison to an Energy Specialist.

Lastly, MEA generally supports the policy of promoting energy efficiency. However, MEA has not examined the exclusion of residential properties from the legislation, nor the minimum threshold and maximum benefit limitations and therefore does not comment on the appropriateness of these specific policies.