



MARYLAND STATE & D.C. AFL-CIO

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SB 314 – Income Tax – Mechanical Insulation Installation Tax Credit
Senate Budget and Taxation Committee
February 8, 2022

SUPPORT

Donna S. Edwards
President
Maryland State and DC AFL-CIO

Chairman and members of the Committee, thank you for the opportunity to submit testimony in support of SB 314 – Income Tax – Mechanical Insulation Installation Tax Credit. My name is Donna S. Edwards, and I am the President of the Maryland State and District of Columbia AFL-CIO. On behalf of Maryland's 340,000 union members, I offer the following comments.

The clean energy economy of the future – that creates family-sustaining careers – cannot be achieved without a parallel focus on increasing energy efficiency. We need to retrofit buildings that have profligate energy usage, as well ensure that new construction is built with maximum efficiency in mind, and we need to do so with skilled labor that demands high standards.

SB 314 recognizes the importance of insulation in achieving our energy efficiency goals, by incentivizing businesses to install mechanical insulation on a commercial or industrial building with a credit against the State income tax for us to 30% of the cost. Moreover, it requires that, in order to receive this credit, those businesses must have the mechanical insulation installed meeting the minimum American Society of Heating, Refrigeration, and Air-Conditioning Engineers standard for insulation. Applying the credit to this rigorous standard ensures that we are not wasting taxpayer dollars on shoddy workmanship, and that our goal of increased energy efficiency can be met. But this standard does not only benefit the taxpayer, but also the business paying for the installation. They can be comforted in the fact that they are getting the highest quality installation, reducing their overall energy costs, while also realizing a 30% cost reduction.

This bill is good for our environment, for workers, for businesses, and for our communities, and **for these reasons we ask for a favorable report on SB 314.**