

**ALA\_MD\_Indoor Air Tax Credit\_SB 267.pdf**

Uploaded by: Aleks Casper

Position: FAV



American Lung Association Testimony Senate Bill 267  
Budget & Taxation  
January 26, 2022  
Support

Chair Guzzone, Vice Chair Rosapepe and Members of the Committee:

Thank you for the opportunity to provide comments on Senate Bill 267, Income Tax-Healthy Indoor Air Quality Tax Credit sponsored by Senator Benson. The American Lung Association strongly supports this bill as an integral way to support clean, healthy indoor air for Marylanders.

The American Lung Association is the leading organization working to save lives by improving lung health and preventing lung disease, through research, education and advocacy. The work of the American Lung Association is focused on four strategic imperatives: to defeat lung cancer; to improve the air we breathe; to reduce the burden of lung disease on individuals and their families; and to eliminate tobacco use and tobacco-related diseases.

The American Lung Association believes that everyone is entitled to a safe and healthy indoor and outdoor public space and workplace environment. The American Lung Association supports measures to improve air quality in public spaces and workplaces through the use of regulations, standards, guidelines and management practices to protect the public health. Effective air quality measures protect primarily through the control and elimination of sources of pollution and the provision and maintenance of adequate, state-of-the-art ventilation to reduce the spread of airborne infectious organisms, allergens and particulates.

Senate Bill 267 encourages individuals and business owners to purchase and install certain indoor air quality equipment to help mitigate indoor air pollutants and create healthier spaces for Marylanders to breath clean indoor air by offering a tax credit that can be claimed against the State income tax. The American Lung Association believes that this financial incentive will allow for more people to install this type of equipment in not only their homes but in their businesses.

The American Lung Association thanks the Maryland General Assembly for their continued commitment to the health and wellbeing of the residents of Maryland. The American Lung Association strongly supports Senate Bill 267 which would and encourages swift action to move the bill out of committee and passage by the General Assembly.

Sincerely,

A handwritten signature in black ink that reads "Aleks Casper". The signature is written in a cursive, flowing style.

Aleks Casper  
Director of Advocacy, Maryland  
202-719-2810  
[aleks.casper@lung.org](mailto:aleks.casper@lung.org)

# **SB0267 - 1.19.22-- Income Tax - Healthy Indoor Air**

Uploaded by: Donald Fry

Position: FAV



# POSITION STATEMENT

**TESTIMONY PRESENTED TO THE SENATE BUDGET AND TAXATION COMMITTEE**  
**SENATE BILL 267 -- INCOME TAX – HEALTHY INDOOR AIR QUALITY TAX CREDIT**  
**Senator Joanne Benson**

**January 26, 2022**

**DONALD C. FRY**  
**PRESIDENT & CEO**  
**GREATER BALTIMORE COMMITTEE**

**Position: Support**

Senate Bill 267 establishes a tax credit for costs incurred from the purchase and installation of indoor air quality equipment in certain residential and commercial properties.

The COVID-19 pandemic continues to ravage the economy and small businesses are still struggling from worker retention concerns, supply chain issues, depressed markets, and a host of other issues. As small business owners attempt to improve and adapt their spaces to deal with rising COVID cases and new more transmissible variants, the importance of indoor air quality equipment, enhanced ventilation systems, and improved filtration systems has never been higher.

The GBC supports Senate Bill 267 because it provides financial support to individuals and small businesses who are making efforts to improve public health and safety. This bill will allow small business owners to receive a tax credit for up to 50% of the expenses incurred during the installation of indoor air quality equipment up to \$2,000. This will incentivize small business owners to improve the air quality in their establishments, potentially decreasing the spread of COVID-19 and other airborne viruses. The bill also requires the Comptroller to publish a list of approved air quality equipment based on industry guidelines and best practices, providing assurances that state is only granting a credit for effective equipment.

This bill is consistent with two key tenets in *Gaining the Competitive Edge: Keys to Economic Growth and Job Creation in Maryland*, a report published by the GBC that identifies eight core pillars for a competitive business environment and job growth. First is **Government leadership that unites with business as a partner**. To overcome this pandemic, Maryland's public and private sectors must work in tandem to maximize the effectiveness of public health and safety policies. Senate Bill 267 also aligns with **Competitive costs of doing business**, as it prioritizes public safety while taking into account the precarious economic environment, allowing for a solution that provides the necessary protection while alleviating undo financial burdens on small businesses.

**For these reasons, the Greater Baltimore Committee urges a favorable report on Senate Bill 267.**

*The Greater Baltimore Committee (GBC) is a non-partisan, independent, regional business advocacy organization comprised of hundreds of businesses -- large, medium and small -- educational institutions, nonprofit organizations and foundations located in Anne Arundel, Baltimore, Carroll, Harford, and Howard counties as well as Baltimore City. The GBC is a 67-year-old, private-sector membership organization with a rich legacy of working with government to find solutions to problems that negatively affect our competitiveness and viability.*

**GREATER BALTIMORE COMMITTEE**

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# **SB267 Income Tax Healthy Indoor Air Quality**

Uploaded by: Joanne Benson

Position: FAV

JOANNE C. BENSON  
*Legislative District 24*  
Prince George's County

—  
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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THE SENATE OF MARYLAND  
ANNAPOLIS, MARYLAND 21401

Testimony of Senator Joanne C. Benson  
SB 267: Income Tax – Healthy Indoor Air Quality Tax Credit

Good afternoon, Chairman Guzzone and esteemed members of the Budget and Taxation Committee, SB 267: Income Tax – Healthy Indoor Air Quality Tax Credit. This bill will allow qualified taxpayers to claim a credit against the State income tax equal to 50% of eligible costs to purchase and install specific indoor air quality equipment in certain residential or commercial properties during the taxable year. To claim the tax credit, the qualified taxpayer must first obtain from the Comptroller an eligibility certificate. It would require the Comptroller, in consultation with the Maryland Energy Administration, to publish on the Comptroller's website a list of approved indoor air quality equipment on or before September 30, 2022, and September 30 each year after that. The Comptroller cannot issue eligibility certificates during a tax year where a state of emergency is declared. Suppose a qualified taxpayer is eligible for the credit during a tax year where eligibility certificates have a standing suspension due to a state of emergency. In that case, they will be allowed to obtain the certificate immediately following the tax year. This bill will provide the necessary support to taxpaying citizens of the State of Maryland that are making structural improvements by installing indoor air quality equipment to improve the health and well-being of their families, businesses, and the greater public during a continuing health crisis.

Thus, I respectfully urge the committee to issue a favorable report for SB 267. Thank you.

# **SB 267\_MDCC\_Income Tax – Healthy Indoor Air Qualit**

Uploaded by: Maddy Voytek

Position: FAV





**LEGISLATIVE POSITION:**

**Favorable**  
**Senate Bill 267**  
**Income Tax – Healthy Indoor Air Quality Tax Credit**  
**Senate Budget & Taxation Committee**

**Wednesday, January 26, 2022**

Dear Chairman Guzzone 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 5,500 members and federated partners working to develop and promote strong public policy that ensures sustained economic recovery and growth for Maryland businesses, employees, and families.

SB 267 allows small businesses to claim a credit against the State income tax for costs incurred for the purchase and installation of qualifying indoor air quality equipment. As introduced, this tax credit applies to businesses employing 50 or fewer full-time employees in the amount equal to 50% of the qualified expenses, not to exceed \$2,000, for tax years 2022 and after.

Small businesses are the backbone of Maryland's economy but have struggled to maintain operations because of the COVID-19 pandemic and an ever-changing array of state and local regulations. Despite such turbulence in regulatory environment, small businesses have remained committed to the health and safety of their employees and customers. It is commonplace for businesses to adopt and enforce all CDC recommended guidelines to ensure public health, however, some have gone the extra step by investing in clean air technologies to filter the air of their establishments.

SB 267 provides a modest tax credit to offset the expenses incurred for the purchase and installation of those clean air technologies, while also incentivizing others to adopt them. HB 85 is a great example of government support for small businesses by taking a proactive approach to economic recovery and technology adaptation.

The Maryland Chamber of Commerce respectfully requests a **favorable report** on SB 267, as it provides both targeted relief and a modest technology adoption incentive for Maryland's still struggling small businesses.

**SB0267\_HACC & AACP Joint Testimony\_FAV.pdf**

Uploaded by: Michael Wheat

Position: FAV



**Joint Testimony of the Heating & Air Conditioning Contractors of Maryland (HACC) and the Association of Air Conditioning Professionals (AACP)**

**Before the Maryland Senate Budget & Taxation Committee  
January 26<sup>th</sup> Hearing: SB 0267 “Healthy Indoor Air Quality Tax Credit”**

***Position: Favorable***

Chair Guzzone, Vice Chair Rosapepe, and honorable members of the Senate Budget & Taxation Committee, thank you for the opportunity to provide testimony in support of SB 0267, the “Healthy Indoor Air Quality Tax Credit.” The Heating & Air Conditioning Contractors of Maryland (HACC) and the Association of Air Conditioning Professionals (AACP) strongly support this bill, and our organizations respectfully ask for a favorable report from the Committee to help mitigate the transmission of COVID indoors and support healthy indoor air quality for families and small businesses, by incentivizing the implementation of proven technologies.

The Heating & Air Conditioning Contractors of Maryland (HACC) and the Association of Air Conditioning Professionals (AACP) are the two trade associations for independent heating, ventilation, air conditioning and refrigeration (HVACR) professionals in Maryland. Together, HACC and AACP represent **217 companies** across the state of Maryland—companies that represent small businesses and local jobs, as well as a critical skilled workforce providing essential services to homes, businesses, and other facilities. Our member companies are leaders in the HVAC industry and in the installation of indoor air quality equipment. We are pleased to represent them before the Committee in urging your support for this bill.

**Support Public Health & Local Jobs**

This bill would support public health and local jobs—an important win-win solution in the face of the monumental crises Maryland continues to experience. Supporting healthy indoor air quality (IAQ) and strategies to reduce viral transmission indoors are key to the state’s public health efforts now and into the future. Installation of IAQ technologies by trained HVAC contractors can help prevent the spread of viruses in the workplace and at home, through enhanced ventilation and filtration, and technologies that can deactivate viral cells, including bipolar ionizers and ultraviolet light.

Improving IAQ also has long-term health benefits beyond the pandemic. Research has shown that specifically improving ventilation and air filtration can reduce asthma and other respiratory problems, reduce exposure to toxins like radon and formaldehyde, and result in better overall

physical and mental wellbeing.<sup>1</sup> All Marylanders deserve a safe and healthy indoor environment, and this tax credit would help make that possible for more families and small businesses.

In addition, this tax credit would directly support local jobs. The bill stipulates that in order to be eligible for the tax credit, IAQ equipment must be installed by a Maryland-licensed HVAC contractor. Given the complexity of HVAC systems, many requirements need to be considered—including ventilation rate, compatible filtration, relative humidity, and air flow distribution—to ensure a positive impact on indoor air. Therefore, it is critical that these upgrades be done by licensed contractors who have the necessary training to not only pick the appropriate solution or set of solutions for a given home or building, but also install the technologies properly.

This bill would create new local jobs to do the work of installing critical IAQ equipment and support small contracting businesses like HACC and AACP member companies that are part of our local communities. It would mean helping to stimulate our local economy, while simultaneously helping more Marylanders breathe healthy indoor air and stay safe.

### **Research Shows IAQ Technologies/Solutions Can Mitigate Viral Transmission**

ASHRAE, which develops technical standards on IAQ as well as other issues related to HVAC systems, recently published a Position Document on Infectious Aerosols which concludes “the use of **HVAC strategies supported by the evidence-based literature** should be considered.”<sup>2</sup>

The document strongly recommends the following strategies based on good evidence supporting their efficacy:

- Enhanced filtration (higher minimum efficiency reporting value [MERV] filters over code minimums in occupant-dense and/or higher-risk spaces)
- Upper-room UVGI (with possible in-room fans) as a supplement to supply airflow (Evidence Level A)
- Local exhaust ventilation for source control

Studies of viral outbreaks have highlighted the impacts of ventilation and filtration, as well as other mitigation strategies, on transmission:

- A study of the choir rehearsal COVID-19 super spreader event in Washington state showed that **the outbreak was likely exacerbated by poor ventilation**. The study concludes that widespread application of effective indoor environmental controls—including **enhanced ventilation, mechanical filtration, and germicidal ultraviolet disinfection—could help limit the extent of super spreading events**.<sup>3</sup>
- In a 2019 study of an outbreak of tuberculosis at Taipei University in Taiwan, rooms were under-ventilated with a rate of 3.6 cubic feet per minute/per person and carbon dioxide levels were found to be in a range of 1,200 parts per million to 3,000 PPM. The

university increased the ventilation rate to 51 CFM/per person, resulting in carbon dioxide levels dropping to 600 PPM, and the outbreak ended. **The results showed that maintaining adequate indoor ventilation could be a highly effective strategy for controlling TB outbreaks.**<sup>4</sup> (Note, tuberculosis, like COVID-19, is an airborne disease.)

### Leading Examples from other States

Other jurisdictions are advancing policies and programs to support COVID-responsive IAQ improvements in buildings:

- **New Jersey** recently launched the Schools and Small Business (SSB) Energy Efficiency Stimulus Program to deliver grants for indoor air quality and energy performance upgrades in schools and businesses.<sup>5</sup>
- In August, the **Virginia** General Assembly approved over \$300 million in funding for HVAC and indoor air quality improvements in public schools, military facilities, and assisted living facilities.<sup>6</sup>
- The **New York** State Energy Research and Development Authority (NYSERDA) has established the Clean Green Schools Initiative to offer funding and education for schools in disadvantaged communities to improve indoor air quality and reduce emissions across the state.<sup>7</sup> NYSERDA has also entered into a strategic partnership with the American Society of Heating, Refrigerating and Air Conditioning Engineers (ASHRAE) to advance the combined goals of improved indoor air quality and environmental sustainability and support COVID-mitigating air quality improvements in buildings.<sup>8</sup>
- In **California**, the State Assembly passed legislation to create a School Reopening Ventilation and Energy Efficiency Program, providing grants to support the testing, upgrade, repair, and/or replacement of HVAC systems to meet safe ventilation and filtration requirements.<sup>9</sup>
- In **Canada**, the federal government has proposed a refundable Small Businesses Air Quality Improvement Tax Credit on eligible air quality improvement expenses incurred by small businesses to make it more affordable for them to invest in safer and healthier ventilation and air filtration.<sup>10</sup>

### Conclusion

HACC and AACP ask for a FAVORABLE REPORT on SB 0267 to help connect residents and small businesses in Maryland with systems that improve indoor air quality, while also supporting local jobs to do this important work. If enacted, this legislation will help protect Maryland families and help small businesses continue to operate safely and drive lasting improvements for healthier indoor environments.

**Contact:**

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**SB267\_MRA\_FAV.pdf**

Uploaded by: Sarah Price

Position: FAV

# MARYLAND RETAILERS ASSOCIATION

*The Voice of Retailing in Maryland*



## **SB267 Income Tax – Healthy Indoor Air Quality Tax Credit Budget and Taxation Committee January 26, 2022**

### **Position: Favorable**

**Background:** Businesses and consumers will be able to claim a credit against the state income tax for 50% of the cost of installation of approved indoor quality air equipment.

**Comments:** The Maryland Retailers Association (MRA) supports SB267 and any meaningful efforts to alleviate costs for consumers and small businesses during the current economic crisis.

Providing a tax credit on approved indoor air quality machines would help struggling businesses in Maryland invest in infrastructure to keep their employees and customers safer. This support by the State will help mitigate not just the current pandemic virus but also future airborne diseases, from yearly flu season to additional variants of COVID-19. Taking measures to control humidity and to filter for airborne disease will create a healthier and safer Maryland at home, at work, and at public businesses.

Tax credits such as what is proposed in SB267 help support small businesses and the local economy at large by promoting not only the installation of equipment which would make local business environments safer, but also the sale of the equipment and the use of local contractors to complete the installations. As small businesses are part of the hardest-hit sector due to the COVID-19 pandemic, local business owners in a variety of industries would greatly benefit from a tax credit designed to offset the cost of efforts made to operate as safely as possible.

We respectfully ask for a favorable report on SB267. Thank you for your consideration.