



Proposed Statewide Tax Exemption for Rooftop/Parking Canopy Community Solar Projects Providing Discounted Solar Energy to LMI Households

Maryland's Community Solar Pilot Program has the potential to reduce the energy burden of thousands of low- to moderate- income ("LMI") Maryland households while generating tens of megawatts of solar power on the rooftops and parking canopies of our cities and towns. Yet to date, the majority of community solar projects are not reaching LMI households and are being built on undeveloped land.

It is not currently financially viable to develop rooftop and parking canopy community solar projects that provide discounted solar energy to LMI households. If Maryland wants to encourage more distributed, equitable generation of solar in the state, the State must remove financial disincentives, and provide financial incentives, to encourage the development of these types of projects. As a starting point, the State should [exempt rooftop and parking canopy community solar projects that allocate at least 50% of generated energy to LMI households \(at a minimum 20% discount to the qualifying utility rate\) from personal property and energy production taxes.](#)

Personal Property and Energy Production Taxes

Community solar projects are exempt from real property taxes statewide, but many local jurisdictions assess either or both a personal property tax and an energy production tax. (Please see the attached Appendices A & B for further information.) The combination of these two taxes has a substantial negative impact on the development of rooftop/parking canopy LMI community solar projects, which, if developed, would have the potential to bring significant social, economic, and environmental benefits to the communities in which they would be located.

Community v. Tax Benefit: An Example

A 100% LMI, 874 kW rooftop community solar project in Baltimore City would achieve the following:

- Reduce 180 LMI families' electricity bills by 25%, for an annual savings of ~\$35,000;
- Create 5 to 10 jobs or apprenticeships; and
- Reduce carbon emissions by 27,079 metric tons over 35 years, the equivalent of taking 5,889 passenger cars off the road for a year.

Under current tax policy in Baltimore, this project would be taxed an estimated \$8,800 in personal property taxes in Year 1 and an estimated \$10,600 energy taxes in Year 1 (using the commercial rate). This totals an estimated \$19,400 in Year 1 personal property and energy production taxes.

In this example, therefore, this LMI community solar project would provide well over \$35,000 in annual social and economic benefits to Baltimore City, while the combined tax value of these projects would be \$19,400.

Fiscal Impact

Please note that because there are no rooftop/parking canopy LMI community solar projects that currently exist, the impact of the proposed exemptions would be on a potential, rather than an existing, tax revenue base. Even with the proposed exemptions, only a handful of these projects are likely to be developed during the remaining years of the Community Solar Pilot Program due to other financing challenges. The fiscal impact on local jurisdictions of the foregone tax revenue would therefore be minimal, yet the social and economic benefits would be substantial in the form of discounted clean energy to LMI households, local job creation, and mitigation of carbon emissions.

APPENDIX A. SAMPLE OF JURISDICTIONS WITH ENERGY PRODUCTION TAXES

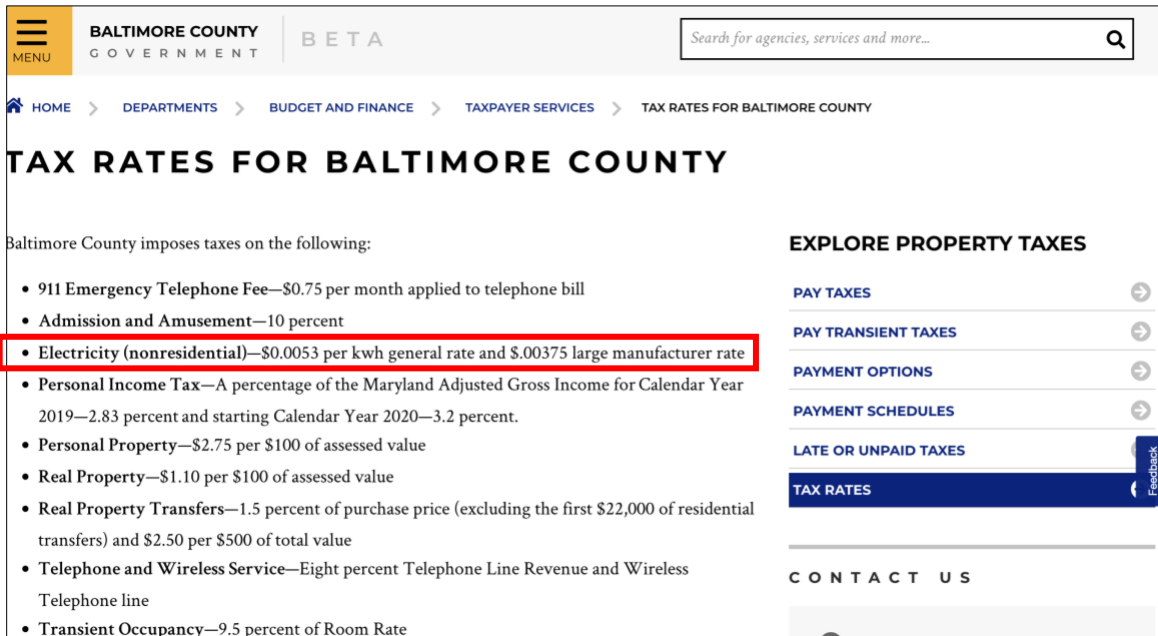
A. Baltimore City¹

Fiscal 2022 - Energy Tax Rates (\$) by User Group and Energy Type

The Baltimore City Code mandates that the City's Energy Tax be imposed as a unit tax based on the number of units of energy delivered to users. The units are as follows: therms for natural gas, kilowatt-hours for electricity, pounds for steam, and gallons for fuel oil and liquefied petroleum gas.

User Group	Electricity (kWh)	Gas (therm)	Fuel Oil (gal)	LPG (gal)	Steam (lbs)
Commercial	0.008946	0.115686	0.132216	0.161360	0.002814
Residential	0.002865	0.034001	0.047719	0.051110	0.000808
Nonprofit	0.006273	0.091899	0.114113	0.140314	0.001664

B. Baltimore County²



BALTIMORE COUNTY GOVERNMENT BETA

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TAX RATES FOR BALTIMORE COUNTY

Baltimore County imposes taxes on the following:

- 911 Emergency Telephone Fee—\$0.75 per month applied to telephone bill
- Admission and Amusement—10 percent
- **Electricity (nonresidential)—\$0.0053 per kwh general rate and \$.00375 large manufacturer rate**
- Personal Income Tax—A percentage of the Maryland Adjusted Gross Income for Calendar Year 2019—2.83 percent and starting Calendar Year 2020—3.2 percent.
- Personal Property—\$2.75 per \$100 of assessed value
- Real Property—\$1.10 per \$100 of assessed value
- Real Property Transfers—1.5 percent of purchase price (excluding the first \$22,000 of residential transfers) and \$2.50 per \$500 of total value
- Telephone and Wireless Service—Eight percent Telephone Line Revenue and Wireless Telephone line
- Transient Occupancy—9.5 percent of Room Rate

EXPLORE PROPERTY TAXES

- PAY TAXES
- PAY TRANSIENT TAXES
- PAYMENT OPTIONS
- PAYMENT SCHEDULES
- LATE OR UNPAID TAXES
- TAX RATES**

CONTACT US

¹ <https://bbmr.baltimorecity.gov/city-tax-rates>

² <https://www.baltimorecountymd.gov/departments/budfin/taxpayerservices/taxrates.html>

APPENDIX B. PERSONAL PROPERTY AND UTILITY TAXES BY LOCAL JURSDICTION

2021-2022 COUNTY & MUNICIPALITY TAX RATES

County and Town	Town/Special Taxing			County		
	District Tax Rate			Tax Rate		
	Real	Personal	Utility	Real	Personal	Utility
Allegheny County				0.975	2.4375	2.4375
Barton	0.205	0.58	0.58	0.9094	2.2734	2.2734
Cumberland	1.0595	2.648	2.648	0.8315	2.0788	2.0788
Frostburg	0.70	1.50	1.50	0.8627	2.1567	2.1567
Lonaconing	0.3408	0.8179	0.8179	0.8773	2.1932	2.1932
Luke	1.25	0.95	0.95	0.8753	2.1882	2.1882
Midland	0.28	0.70	0.70	0.9094	2.2734	2.2734
Westernport	0.60	1.50	1.50	0.9094	2.2734	2.2734
Anne Arundel County				0.933	2.332	2.332
Annapolis	0.738	1.940	1.940	0.559	1.397	1.397
Highland Beach	0.1505	0.3762	0.3762	0.903	2.257	2.257
Baltimore City				2.248	5.62	5.62
Baltimore County				1.1	2.75	
Calvert County				0.927	2.23	2.23
Chesapeake Beach	0.3233	N/A	1.39	0.591		
North Beach	0.6034	N/A	1.39	0.591		
Caroline County				0.98	2.45	2.45
Denton	0.76	1.5	1.7	0.92		
Federsburg	0.88	1.65	1.65	0.90		
Greensboro	0.72	1.513	1.4	0.92		
Hillsboro	0.16	0.4	0.4	0.98		
Marydel	0.3	0.83	0.83	0.98		
Preston	0.36	0.7	0.7	0.97		
Ridgely	0.5329	1.275	1.275	0.93		
Goldsboro	0.46	1	1	0.98		
Henderson	0.48	0.84	0.84	0.98		
Templeville	0.36	0.72	0.72	0.98		

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County and Town	Town/Special Taxing			County		
	District Tax Rate			Tax Rate		
	Real	Personal	Utility	Real	Personal	Utility
Carroll County				1.018	2.515	2.515
Taneytown	0.37	0.8	0.8			
Sykesville	0.33	0.875	0.875			
Manchester	0.216	0.46	0.46			
Westminster	0.56	1.1	1.4			
Hampstead	0.22	0.55	0.55			
New Windsor	0.2615	0.4	0.4			
Union Bridge	0.35	0.75	0.75			
Mount Airy	0.1662	0.41	0.41			
Cecil County				1.0279	2.5697	2.5697
Cecilton	0.2284	0.008	0.008	1.0279	2.5697	2.5697
Chesapeake City	0.4688	1.18	1.18	1.0279	2.5697	2.5697
Elkton	0.6356	1.21	1.21	1.0279	2.5697	2.5697
North East	0.48	0	1.2	1.0279	2.5697	2.5697
Charlestown	0.3334	0.8	0.8	1.0279	2.5697	2.5697
Rising Sun	0.46	0.9	0.9	1.0279	2.5697	2.5697
Port Deposit	0.5452	0	2.2	1.0279	2.5697	2.5697
Perryville	0.3597	0.94	0.94	1.0279	2.5697	2.5697
Charles County				1.1410	2.8525	2.8525
Indian Head	0.30	0.80	0.80	1.1020	2.8525	2.8525
La Plata	0.32	0.75	2.50	0.9990	2.8525	2.8525
Port Tobacco	0.04	0.04	0.04	1.1410	2.8525	2.8525
Dorchester County				1.00	2.44	2.44
Secretary	0.2989	0.80	0.80	1.00	2.44	2.44
East New Market	0.7109	1.60	1.60	1.00	2.44	2.44
Cambridge	0.8301	1.69	1.69	0.9267	2.44	2.44
Hurlock	0.8237	1.40	1.40	0.9179	2.44	2.44
Vienna	0.4787	1.08	1.08	1.00	2.44	2.44
Church Creek	0.17	0.35	0.35	1.00	2.44	2.44
Galestown	0.3091	0.65	0.65	1.00	2.44	2.44
Brookview	0.30	0.58	0.58	1.00	2.44	2.44

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County and Town	Town/Special Taxing			County		
	District Tax Rate			Tax Rate		
	Real	Personal	Utility	Real	Personal	Utility
Eldorado	0.19	0.40	0.40	1.00	2.44	2.44
Frederick County				1.06	0	2.65
Brunswick	0.41	0	2.65	1.06	0	2.65
Burkittsville	0.19	0	0	1.06	0	2.65
Emmitsburg	0.3464	0.90	0	1.06	0	2.65
Frederick	0.7305	1.55	1.55	0.9505	0	2.65
Middletown	0.232	0.58	0	1.06	0	2.65
Mt. Airy	0.1662	0.41	0.41	1.06	0	2.65
Myersville	0.346	0	1.173	0.9407	0	2.65
New Market	0.12	0.45	0.45	1.06	0	2.65
Rosemont	0.04	0	0	1.06	0	2.65
Thurmont	0.2992	0.62	0.62	1.06	0	2.65
Walkersville	0.14	0.44	0.44	1.06	0	2.65
Woodsboro	0.1389	0	0	1.06	0	2.65
Garrett County				1.056		2.64
Accident	0.3045	0.61	0.61			
Deer Park	0.30	0.75	0.75			
Friendsville	0.41	0.56	1.64			
Grantsville	0.1941	0	0.50			
Kitzmilller	0.36	0	1.20			
Loch Lynn Heights	0.32	0.53	1.00			
Mt. Lake Park	0.4137	0	1.20	0.9916		2.4790
Oakland	0.472	1.20	1.20			
Harford County				1.0279	2.5698	2.5698
Aberdeen	0.64	1.7	1.7	0.8913	2.2283	2.2283
Bel Air	0.54	1.2	1.2	0.8913	2.2283	2.2283
Havere de Grace	0.565	1.705	1.705	0.8913	2.2283	2.2283
Howard County				1.014	2.535	2.535
Kent County				1.012		
Betterton	0.32	0.8				
Chestertown	0.4332					

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County and Town	Town/Special Taxing			County		
	District Tax Rate			Tax Rate		
	Real	Personal	Utility	Real	Personal	Utility
Galena	0.2355					
Millington	0.2909					
Rock Hall	0.38					
Montgomery County				0.7178	1.7945	1.7945
Friendship Heights	0.0400	0.0400	0.4000	0.7178	1.7945	1.7945
Drummond	0.0480	0.1200	0.1200	0.7178	1.7945	1.7945
Oakmont	0.0400	0.1000	0.1000	0.7178	1.7945	1.7945
Chevy Chase Village	0.0773	0.6600	0.6600	0.7178	1.7945	1.7945
Sec. 3 Village of Chevy Chase	0.0200	0.0500	0.0500	0.7178	1.7945	1.7945
Town of Chevy Chase	0.0098	0.0000	0.0000	0.7178	1.7945	1.7945
Sec. 5 Village of Chevy Chase	0.0000	0.0000	0.0000	0.7178	1.7945	1.7945
Village of Martins Addition	0.0050	0.5000	0.5000	0.7178	1.7945	1.7945
North Chevy Chase	0.0450	0.1300	0.1300	0.7178	1.7945	1.7945
Chevy Chase View	0.0200	0.0000	0.0000	0.7178	1.7945	1.7945
Battery Park	0.0400	0.1000	0.1000	0.7178	1.7945	1.7945
City of Rockville - Class 1	0.6220			0.7178	1.7945	1.7945
City of Rockville - Class 4	0.2920			0.7178	1.7945	1.7945
City of Rockville - Class 5	0.2920			0.7178	1.7945	1.7945
City of Rockville - Class 50	0.2920	0.8050	0.8050	0.7178	1.7945	1.7945
City of Gaithersburg	0.2620	0.5300	0.5300	0.7178	1.7945	1.7945
Town of Barnesville	0.0154	0.2000	0.2000	0.7178	1.7945	1.7945
Town of Laytonsville	0.0900	0.3000	0.3000	0.7178	1.7945	1.7945
Town of Poolesville	0.1781	0.6000	0.6000	0.7178	1.7945	1.7945
Town of Garrett Park	0.2045	1.0000	1.0000	0.7178	1.7945	1.7945
Town of Glen Echo	0.1500	0.8000	0.8000	0.7178	1.7945	1.7945
Town of Sommerset	0.1000	1.0000	1.0000	0.7178	1.7945	1.7945
Town of Brookeville	0.1500	0.4500	0.4500	0.7178	1.7945	1.7945
Town of Washington Grove	0.2479	0.7000	0.7000	0.7178	1.7945	1.7945
Town of Kensington	0.1312	0.8000	0.8000	0.7178	1.7945	1.7945
City of Takoma Park	0.5397	1.5500	1.5500	0.7178	1.7945	1.7945
Bethesda	0.0120	0.0300	0.0300	0.7178	1.7945	1.7945

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County and Town	Town/Special Taxing District Tax Rate			County Tax Rate		
	Real	Personal	Utility	Real	Personal	Utility
	Silver Spring	0.0240	0.0600	0.0600	0.7178	1.7945
Wheaton	0.0300	0.0750	0.0750	0.7178	1.7945	1.7945
Kingsview Village Center	0.0000	0.0000	0.0000	0.7178	1.7945	1.7945
West Germantown	0.1560	0.0000	0.0000	0.7178	1.7945	1.7945
White Flint	0.1103	0.0000	0.0000	0.7178	1.7945	1.7945
Prince George's County				1.00	2.5	
New Carrollton	0.6391	1.6		0.862	2.123	
Eagle Harbor	0.4727			0.998	2.495	
Greenbelt	0.8275	1.7225		0.847	2.083	
Berwyn Heights	0.545			0.858	2.112	
Bladensburg	0.74	2.09		0.856	2.109	
Bowie	0.4	1		0.848	2.087	
Brentwood	0.3792	1.75	2	0.914	2.265	
Capitol Heights	0.42	2.5	2.5	0.861	2.12	
Cheverly	0.4899	1.1		0.861	2.121	
Cheverly - Apartments	0.66			0.861	2.121	
College Park	0.3131	0.838		0.965	2.404	
Colmar Manor - Non Commercial	0.9235	1.65		0.873	2.154	
Colmar Manor - Commercial	0.8636	1.65		0.873	2.154	
Cottage City - Non Commercial	0.5409			0.906	2.242	
Cottage City - Commercial	0.7431			0.906	2.242	
District Heights	0.7333	1.5	2	0.859	2.115	
Edmonston	0.5264	1.5		0.897	2.219	
Fairmount Heights	0.43			0.919	2.279	
Glenarden	0.3481	0.88		0.888	2.195	
Hyattsville	0.63	1.15		0.843	2.071	
Landover Hills	0.52	1.25		0.913	2.265	
Laurel	0.71			0.815	1.995	
Mount Rainier	0.79	0.99	2.75	0.855	2.104	
Mount Rainier - Apartments	0.86	0.99	2.75	0.855	2.104	
North Brentwood - Non Commercial	0.44	0.015	0.02	0.996	2.49	

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County and Town	Town/Special Taxing District Tax Rate			County Tax Rate		
	Real	Personal	Utility	Real	Personal	Utility
	North Brentwood - Commercial	0.5857	0.015	0.02	0.996	2.49
Riverdale Park	0.654	2	2	0.87	2.148	
Seat Pleasant	0.58	15		0.874	2.157	
University Park	0.5386	2.25		0.86	2.117	
Upper Marlboro - Non Commercial	0.3	0.5		0.944	2.349	
Upper Marlboro - Commercial	0.54	1.5		0.944	2.349	
Morningside	0.78	2		0.916	2.272	
Forest Heights - Non Commercial	0.5076	1.75		0.89	2.198	
Forest Heights - Commercial	0.5878	1.75		0.89	2.198	
Queen Anne's County				0.8471		2.118
Sudlersville	0.167	0.47	0			
Church Hill	0.34	0.85	0.85			
Centreville	0.535	0	13.00	0.7171		
Queenstown	0.2026	0.51	0			
Queen Anne	0.18	0.45	0			
Templeville	0.36	0.72	0.72			
Barclay	0.20	0.20	0.20			
Millington	0.2909	0.70	0	0.7621		
St. Mary's County				0.8478	2.1195	2.1195
Leonardtown	0.1266		0.3165	0.8478	2.1195	2.1195
Somerset County				1.00	2.50	2.50
Crisfield	0.87	1.75	1.75	1.00	2.50	2.50
Princess Anne	1.03	2.25	2.25	1.00	2.50	2.50
Talbot County				0.6565	N/A	1.6413
Easton	0.52	1.3	1.3	0.5235	N/A	1.3088
St. Michaels	0.49	N/A	1.6	0.5295	N/A	1.3238
Trappe	0.33	0.54	0.54	0.5585	N/A	1.3963
Oxford	0.3187	N/A	N/A	0.5385	N/A	1.3463
Queen Anne	0.18	0.45	0.45	0.5964	N/A	1.4910
Washington County				0.948	2.37	2.37
Sharpsburg	0.350	0.8750	0.8750	0.823		

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County and Town	Town/Special Taxing			County		
	District Tax Rate			Tax Rate		
	Real	Personal	Utility	Real	Personal	Utility
Williamsport	0.485	0.0121	0.0121	0.823		
Hagerstown	1.002	2.505	0.280	0.823		
Hagerstown - Apartments	1.032			0.823		
Clear Spring	0.320	0.7000	0.7000	0.823		
Hancock	0.520	0.9500	0.9500	0.823		
Boonsboro	0.3591	0.8700	0.8700	0.823		
Smithsburg	0.350	0.8750	0.8750	0.823		
Funkstown	0.370	0.8750	0.8750	0.823		
Keedysville	0.180	0.4500	0.4500	0.823		
Wicomico County				0.9195	2.1715	2.1715
Salisbury	0.9832	2.4000	3.5100			
Mardela Springs	0.2300	0.5000	0.5000			
Pittsville	0.2800	0.9000	0.9000			
Sharptown	0.6000	1.5500	1.5500			
Delmar	0.6622	2.5000	3.0000			
Willards	0.5100	1.1500	1.1500			
Hebron	0.4450	1.0000	1.0000			
Fruitland	0.9200	1.9200	1.9200			
Worcester				0.8450	2.1125	2.1125
Pocomoke City N	1.1311	2.0000	2.4000			
Pocomoke City H	0.9375					
Snow Hill	0.8600	1.8200				
Berlin	0.8150	1.7000				
Ocean City	0.4561	1.1400				
MARYLAND STATE TAX RATE	Real Property		0.112	Utility Tax Rate		0.280
There is no Personal Property Tax Rate for State of Maryland						

The Department of Assessments and Taxation does its best to ensure that this document is complete and accurate, but this information is compiled and made available to the public as a courtesy. Please contact the local governments for verification before using any information in this document.

The Climate Access Fund

The Climate Access Fund (“CAF”; www.climateaccessfund.org) is a Baltimore-based 501(c)(3) “green bank”. “Green Banks” are dedicated public/quasi-public or nonprofit finance entities that partner with private capital to fill clean energy capital gaps.

CAF’s mission is to reduce the energy burden and carbon footprint of Maryland’s low- to moderate-income (“LMI”) households by facilitating access to clean, community solar projects. CAF’s four measurable objectives are as follows:

1. SOCIAL. Increase low-income household access to clean energy by maximizing the number of Maryland’s low-income households connected to discounted solar energy;
2. ECONOMIC. Attract private investment capital to LMI communities through community solar development, reduce the energy burden for LMI households, and facilitate wealth building via investment opportunities for LMI households;
3. ENVIRONMENTAL. Reduce greenhouse gas emissions through solar energy generation; and
4. EMPLOYMENT. Provide job training opportunities for the local community.

Broadly, CAF works to enable delivery of discounted clean electricity to LMI households in Maryland by offering innovative financial products, developing community solar projects, and identifying potential LMI household participants.

(1) Innovative Financial Products

CAF currently offers two financial products to facilitate private investment in LMI-focused community solar PV projects. First, CAF offers a solar bill guaranty to backstop solar electricity service bills of LMI customers who default on their bills. Second, CAF sources and offers loans that feature attractive rates, low transaction fees, and long amortization schedules.

(2) Project Development

CAF helps identify potential project sites, secure additional grant and financing capital, develop potential projects, and partner with impacted communities, among other activities, to increase the number of community solar projects serving LMI households.

(3) Customer Identification

Drawing upon CAF’s deep connections to nonprofits and other community-based organizations, CAF assists in identifying and recruiting potential LMI customers.