

**HB58/SB45 - Income Tax - Credits for Energy Efficiency Upgrades - Passive Houses**

**Date: January 13, 2022**

**Committee: House Ways and Means Committee**

**Position: Favorable**

**Victoria Venable, Maryland Director  
Chesapeake Climate Action Network Action Fund**

On behalf of the Chesapeake Climate Action Network Action Fund, I urge a favorable report from the committee on HB 58 - Income Tax - Credits for Energy Efficiency Upgrades - Passive Houses.

Notably, 13% of our greenhouse gas pollution comes from fossil fuels burned inside our buildings. For this reason, increasing energy efficiency in buildings is a core recommendation from the Maryland Commission on Climate Change in 2021.

HB58 creates a state income tax credit for the eligible costs incurred for energy efficiency upgrades to “Passive House” residences. Passive House is a voluntary building standard that is energy-efficient and affordable. The Passive House envelope minimizes heat losses by separating the interior from the exterior and using techniques such as air-sealing, super insulation, and passive solar principles. Under HB58, the owner of a single-family residence or a multi-family rental property can claim a tax credit equal to 10% of the total eligible costs incurred during the tax year, not to exceed \$2,000.

HB58 works in tandem with larger efforts by the environmental and climate community to decrease the energy demands and resulting emissions from the building sector. Additionally, the focus on mitigating the costs of energy efficiency upgrades helps make these technologies and home improvements available to Marylanders, particularly low and moderate-income households who are burdened by high energy costs.

Thank you for your consideration of HB58 - Income Tax - Credits for Energy Efficiency Upgrades - Passive Houses. For all the reasons stated above, we urge a favorable vote from the committee.