



# Maryland Farm Bureau, Inc.

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January 19, 2023

To: Senate Budget & Taxation Committee

From: Maryland Farm Bureau, Inc.

Re: **Support of SB 103 - Income Tax – Maryland Residential Solar Investment Tax Credit**

On behalf of our Farm Bureau member families in Maryland, I submit this written testimony in support of SB 103. This bill would allow an individual to claim a credit against their state income tax for a taxable year for the costs of photovoltaic property that is mounted on the rooftop of residential real property owned by the individual and placed in service during the taxable year. The tax credit would not exceed the lesser of \$15,000 or 25% of the installed cost. If the credit is more than the income tax for that year, the individual can carry over and use the excess tax credit for up to 5 additional years or until the tax credit is used up. If passed, the bill would take effect on July 1, 2023 and projects installed beginning in 2023 would be eligible for the tax credit.

Currently, residential electric consumers are tax-exempt and so are manufacturing operations. Many farmers are on residential rates as the electric meter for the farm is also tied to their house. However, for those limited number of farms that have separate meters for barns and other ag uses, they are under the commercial electric rate. It is these farms that are also having sales and use tax added to their bill. This bill would exempt all farms from the sales and use tax not just the ones that have residential use meters.

Many farmers have looked into installing solar to offset their energy usage. However, the upfront cost makes it difficult to show an economic value to making this change. This type of tax credit would bring the upfront costs down and make these residential projects more affordable. To meet our renewable energy goals, we need everyone to do their part. This removes one of those hurdles for Maryland residents to participate.

**MDFB Policy:**

We encourage research, development, and utilization of alternative energy sources from methane, biomass, wind, nuclear, solar, hydrogen, hydro, and clean natural gas.

Additionally, we urge that this process be aided by appropriate government tax incentives.

We encourage that publicly owned lands, brownfields, rooftops, parking lots and urban areas be utilized to assist with the clean energy mandate in lieu of farmland.

**MARYLAND FARM BUREAU SUPPORTS SB 103 & REQUESTS A FAVORABLE REPORT**

A handwritten signature in black ink, appearing to read 'Colby Ferguson'.

Colby Ferguson

Director of Government Relations

*For more information contact Colby Ferguson at (240) 578-0396*