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SUPPORT: SB 103 Income Tax – Maryland Residential Solar Investment Tax Credit

Mr. Chairman and Members of the Committee,

Maryland LCV supports SB 103: Income Tax - Maryland Residential Solar Investment Tax Credit. We support accelerated deployment of utility-scale, community, and residential solar and the equitable financing mechanisms to support each.

A state tax credit will make residential solar available to some Marylanders who may not have previously been able to afford it, and will incentivize those who needed another reason to install it. Inclusive outreach about these incentives will be important to equitable implementation of this initiative. The following considerations may also expand access to more low- to moderate income households by 1. making this a refundable tax credit so that people who don't owe enough taxes still benefit from the full amount, 2. setting an upper limit of income eligibility, and 3. applying the credit to residential rooftop solar built with leases or a Power Purchase Agreement.

With the enactment of the Climate Solutions Now Act (CSNA), the state is aiming to reduce greenhouse gas emissions 60% by 2031 and be net zero by 2045. Expanding the availability of and access to renewable energy is key to implementing CSNA and to putting us on a path to 100% clean energy.

A [recent article](#) estimated the yearly savings for a household in Maryland that gets all of its electricity from its solar panels is more than \$1,600, and it takes a little less than 7 years for a household to break even on their solar panel investment. A state tax credit, combined with newly increased federal tax credits, would make this turnaround even faster. A residential solar tax credit provides real economic opportunity for households and societal opportunity through reductions in GHG emissions.

We would also encourage aligning this tax credit with the federal energy storage (i.e. battery) credit so that home energy storage systems greater than 3 kWh to also qualify.

Maryland LCV urges a favorable report on SB 103.