



March 9, 2023

Senator Guy Guzzone, Chair
Senate Budget and Taxation Committee
3 West, Miller Senate Office Building
Annapolis, MD 21401

RE: Senate Bill 692 – UNFAVORABLE – Income Tax - Credit for Purchase of Zero-Emission and Hybrid Mobile Machinery

Dear Chair Guzzone and Members of the Budget and Taxation Committee:

The Maryland Transportation Builders and Materials Association (MTBMA) has been and continues to serve as the voice for Maryland's construction transportation industry since 1932. Our association is comprised of 200 members. MTBMA encourages, develops, and protects the prestige of the transportation construction and materials industry in Maryland by establishing and maintaining respected relationships with federal, state, and local public officials. We proactively work with regulatory agencies and governing bodies to represent the interests of the transportation industry and advocate for adequate state and federal funding for Maryland's multimodal transportation system.

Senate Bill 692 would allow Maryland taxpayers to claim a credit against the State income tax for the purchase of hybrid mobile machinery or zero-emission mobile machinery to be used in the taxpayer's business or for rental or lease to the general public. The amount of this credit would depend on the weight of the mobile machinery and whether the equipment was an electric hybrid or full zero-emissions.

MTBMA opposes Senate Bill 692 because the bill as drafted fails to consider several overlooked aspects of the transition to electric and other zero-emission vehicles and large-scale equipment, primarily the additional impact on the State's electric grid. Without first conducting an extensive analysis of that and related topics, such as the environmental impact of the construction of the storage and disposal facilities that will be necessary to process the inevitable influx of spent batteries, fuel cells, and other critical components of these vehicles and equipment, it would be unwise and unsafe for the State to be promoting their use with the extension of valuable tax credits like those proposed by Senate Bill 692.

We appreciate you taking the time to consider our request for an UNFAVORABLE report on Senate Bill 692.

Thank you,

Michael Sakata
President and CEO
Maryland Transportation Builders and Materials Association