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MARYLAND ASPHALT ASSOCIATION



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G. Marshall Klinefelter

March 2, 2023

Delegate Vanessa Atterbeary, Chair
House Ways and Means Committee
Room 131 House Office Building
Annapolis, MD 21401

RE: House Bill 1181 – UNFAVORABLE – Income Tax - Credit for Purchase of Zero-Emission and Hybrid Mobile Machinery

Dear Chair Atterbeary and Members of the Ways and Means Committee:

The Maryland Asphalt Association (MAA) is comprised of 19 producer members representing more than 48 production facilities, 25 contractor members, 25 consulting engineer firms and 41 other associate members. MAA works proactively with regulatory agencies to represent the interests of the asphalt industry both in the writing and interpretation of state and federal regulations that may affect our members. We also advocate for adequate state and federal funding for Maryland's multimodal transportation system.

House Bill 1181 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.

MAA opposes House Bill 1181 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 House Bill 1181.

We appreciate you taking the time to consider our request for an UNFAVORABLE report on House Bill 1181.

Sincerely,

Marshall Klinefelter
President
Maryland Asphalt Association