



## **SB 692 - Income Tax – Credit for Purchase of Zero–Emission and Hybrid Mobile Machinery**

### **Testimony before House Ways and Means Committee**

**March 30, 2023**

#### **Position: Favorable with Amendments**

Mdm. Chair, Mdm. Vice Chair and members of the committee, my name is Barbara Matheson, and I represent the 750+ members of Indivisible Howard County. Indivisible Howard County is an active member of the Maryland Legislative Coalition (with 30,000+ members). ***We are providing written testimony in support of SB692***, which allows for a credit against the State income tax for the purchase of certain zero-emission and hybrid heavy-duty vehicles and machinery by Maryland businesses during taxable years 2024 through 2027.

The goal of SB692 is to advance the purchase of electric or hybrid heavy-duty vehicles and equipment by end users and rental companies. American companies are inventing and building new low emission models. Consumers are interested. Some Maryland businesses are testing and piloting their use. However, the process is challenging. New models are more expensive than comparable gas and diesel vehicles. Life cycle expenses are unknown. Expense and uncertainty are a barrier to action. Acceptance and adoption take time and education. This tax credit will help mitigate upfront costs and make electric and low emissions equipment more competitive with conventional equipment. Faster rates of adoption lead to more consumer exposure and utilization.

Incentives address the urgency of Climate Solutions Now Act - net-zero greenhouse gas emissions by 2045. The Environmental Protection Agency reports greenhouse gas emissions from transportation account for about 27 percent of total U.S. greenhouse gas emissions, making it the largest contributor. Additionally, between 1990 and 2020, the transportation sector increased more in absolute terms than any other sector. This bill is a reasonable and necessary step to address the problem.

**We respectfully urge a FAVORABLE WITH AMENDMENTS report.**

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