

Board of Directors
Leisure World Community Corporation
3701 Rossmoor Boulevard
Silver Spring, MD 20906

**TESTIMONY OF THE LEISURE WORLD COMMUNITY CORPORATION OF MARYLAND
ON JANUARY 29, 2026
BEFORE THE HOUSE WAYS AND MEANS COMMITTEE
HB 87 – INCOME TAX- ENERGY EFFICIENT HOME IMPROVEMENT CREDIT**

FAVORABLE WITH AMENDMENT

Honorable Chair Jheanelle Wilkins and Vice Chair Jessica Feldmark and Members of the House Ways and Means Committee:

This testimony is being submitted on behalf of the Leisure World Community Corporation. Leisure World is a senior (55+) adult community in Silver Spring Maryland. Leisure World has 29 Mutuals made up of 27 condominiums, 1 cooperative, and 1 home owner association. More than 8500 residents live in Leisure World. We at leisure World are very concerned with the cost of energy and value energy efficiency.

Importantly, this bill provides incentives to be more efficient in energy usage by providing tax credits against State income tax for costs incurred for certain energy efficient home improvements made to the individual's residence during the taxable year. This would include a condominium resident directly improving his or her condominium unit. In addition, an individual who is a member of a condominium management association may receive a tax credit based on the individual's proportionate share of any expenditures for an energy efficient home improvement made directly by the condominium management association with respect to the condominium that the individual owns.

However, it is not clear from the language of the bill in section 10-758(C)(5) whether an energy efficient improvement in a condominium would qualify for a credit if the improvement within the condo building was made to a common or limited common area such as a community room, window, hallway lighting or HVAC unit, or roof in contrast to the specific condominium unit that the individual owns. The confusion arises out of using the phrase "an individual who is a member of a condominium management association" and the phrase "condominium that the Individual owns." An individual who is a member of a condominium management association by definition is an owner of the condominium. Consequently, both terms are not needed. The better reading is that the bill addresses the whole condominium. This is because all the elements of a condo are part of the condominium that the individual owns and improvements directly impact living in the condominium are no different than improvements to the elements of a single-family home.

Moreover, there does not appear to be a good reason why a resident of a condominium and member of a condominium management association should be treated differently than the residents of the other entities listed in sections 10-758 (C)(1)-(4) of the bill. Further, the public

interest of incentivizing homeowners to purchase energy efficient home improvements would be equally, if not better served by having the senior citizens living in Leisure World's condominiums receive such tax credit. For example, the tax credit would make large scale purchases for heat pumps and energy efficient air conditioning units for common areas in our community's condominiums more practical and affordable.

Accordingly, Leisure World requests that section 10-758(C) of the bill be clarified by the following amendment:

(5) AN INDIVIDUAL WHO IS A MEMBER OF A CONDOMINIUM MANAGEMENT ASSOCIATION, AS DEFINED UNDER § 25D(E)(6)(B) OF THE INTERNAL REVENUE CODE, SHALL BE TREATED AS HAVING MADE THE INDIVIDUAL'S PROPORTIONATE SHARE OF ANY EXPENDITURES FOR AN ENERGY EFFICIENT HOME IMPROVEMENT **MADE WITHIN THE CONDOMINIUM** BY THE CONDOMINIUM MANAGEMENT ASSOCIATION ~~WITH RESPECT TO THE CONDOMINIUM THAT THE INDIVIDUAL OWNS.~~

For these reasons Leisure World supports this bill and recommends that it be clarified as proposed above.

Colette Collier Trohan
Chair of the Board of Directors
Leisure World Community Corporation