



**FAVORABLE – House Bill 87
Energy Efficient Home Improvement Tax Credit
House Ways and Means Committee**

Columbia Gas of Maryland, Inc. (Columbia) supports House Bill 87. The legislation permits Marylanders to claim a credit against state income tax for up to 30% of the costs paid or incurred by a taxpayer for energy efficient home improvements made to an individual's residence in the taxable year. The tax credit is capped at \$3,200.

Specifically, House Bill 87 provides tax credits for a home energy audit as well as steps taken by a homeowner to reduce energy usage such as replacing exterior windows, skylights and exterior doors, and other residential energy property expenditures as outlined in Section 25C of the Internal Revenue Code.

A home energy audit can help Marylanders gain a comprehensive understanding of their home's energy use and assist the homeowner in determining what energy inefficiencies exist and which of these inefficiencies should be prioritized to save energy, reduce utility bills and improve the comfort of their home. A home energy audit should be a first step before investing in energy-saving home improvements and a tax credit may incentivize homeowners to take this initial step.

Assisting Marylanders with the financial costs to improve the energy efficiency of their homes is critically important. The costs to upgrade to energy-efficient appliances, replace heating and cooling systems with more energy efficient units, add or replace insulation, and replace older and less efficient windows, skylights and doors is significant in today's economy.

Columbia believes the tax incentives included in House Bill 87 are appropriately and reasonably crafted tax policies related to reducing the upfront costs of improving a home's energy efficiency and ultimately reducing Maryland utility customer bills.

For these reasons, we urge a favorable report.

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