



Testimony on: HB0087 – Income Tax - Energy Efficient Home Improvement Credit
Sponsor: Delegate Vogel
Committee: Ways and Means
Organization: Maryland Legislative Coalition Climate Justice Wing
Submitting: Monica O’Connor, Co-Chair
Position: Favorable
Hearing Date: January 29, 2025

Dear Chair and Committee Members:

Thank you for allowing our testimony today on HB0087. The Maryland Legislative Coalition (MLC) Climate Justice Wing, a statewide coalition of 32 grassroots and professional organizations, urges you to vote favorably on HB0087.

Marylanders across the state are burdened by rising heating and cooling energy costs. Improving the overall envelope of homes and installing energy efficient appliances reduces this burden significantly, but upfront costs of these improvements can be a barrier for many residents. HB0087 will help Marylanders afford these upgrades by creating state tax credits, with certain limitations, to offset these costs.

HB0087 will create a state version of the federal tax credit enacted under the Biden Inflation Reduction Act of 2022, which was repealed in 2025 by the Trump administration. The bill allows a state income tax credit of up to 30% of the costs paid by an individual for energy efficient improvements made to the individual's residence, but not to exceed \$3,200 during a taxable year. Qualifying improvements include energy audits, weatherization, and installation of efficient space and water heat pumps, biomass stoves, and biomass boilers.

While costs vary depending on your home’s size, age, and location, weatherization is generally considered one of the most affordable and high-return-on-investment (ROI) home improvements available today. According to the U.S. Department of Energy, typical savings range from 10% to 30% annually. Additionally, upgrading to efficient space heat pumps and heat pump water heaters are estimated to save the average household [\\$370 per year](#). Switching from inefficient systems that run on fuel oil, propane, or traditional electric resistance (like baseboard heat or electric furnaces) can save closer to \$1,000 per year.

Rising energy costs have become a crisis for many Maryland families. These HB0087 tax credits will help Maryland residents take advantage of energy audits, weatherization improvements, and appliance upgrades. Energy efficient improvements to homes lower energy usage, reduce costs, and keep residents safe and comfortable in their homes. And because heat pump technologies are 2-3 times more energy efficient than conventional electric heating or natural gas heating, investment in energy efficiency measures also contributes to reductions in peak electricity demand, greenhouse gas emissions, and grid reliability over time.

For these reasons we ask for a FAVORABLE report.

- 350MoCo
- Adat Shalom Climate Action
- Cedar Lane Unitarian Universalist Church Environmental Justice Ministry
- Chesapeake Earth Holders
- Chesapeake Physicians for Social Responsibility
- Climate Communications Coalition
- Climate Parents of Prince George's
- Climate Reality Greater Maryland
- ClimateXChange
- Coming Clean Network, Union of Concerned Scientists
- DoTheMostGood Montgomery County
- Echotopia
- Elders Climate Action
- Fix Maryland Rail
- Glen Echo Heights Mobilization
- Greenbelt Climate Action Network
- HoCoClimateAction
- Howard County Indivisible
- Maryland Legislative Coalition
- Maryland Energy Advocates
- Maryland Third Act
- Mizrahi Family Charitable Fund
- Mobilize Frederick
- Montgomery County Faith Alliance for Climate Solutions
- Montgomery Countryside Alliance
- Mountain Maryland Movement
- Nuclear Information & Resource Service
- Progressive Maryland
- Safe & Healthy Playing Fields
- Takoma Park Mobilization Environment Committee
- The Climate Mobilization MoCo Chapter
- Unitarian Universalist Legislative Ministry of Maryland