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**Date Feb 19, 2021**

**FAVORABLE:  
SB 738 -Income Tax – Mechanical Installation Tax Credit**

Chairman Guy Guzzone, Vice Chair Rosapepe and members of the committee. My name is Craig Miller; I am the Director of Business Development for Southern Insulation, Inc, a Maryland based contractor located in Hyattsville, MD. We have served the state of Maryland performing mechanical insulation for 50-years and employ over 90 men and women in the insulation industry. I am writing to you in SUPPORT of SB738.

Maryland needs industries that provide paths to financial success for its working class. Insulators learn with on-the-job training and apprenticeship programs, average \$70,000 per year plus health and pension benefits. Most of our employees live in Maryland. All are encouraged to vote. Revitalizing mechanical insulation systems in buildings provides more opportunity to increase the number of workers while also protecting the environment.

We have all been affected by the impacts of global warming to the environment and our ecological systems. In 2018 greenhouse gases and fossil fuel emissions for energy accounts for 75% of the total anthropogenic GHG emissions 93% anthropogenic CO2 emissions in the United States. The U.S. is second only to China in greenhouse gas emissions. Of these emissions, nearly 40% of our primary energy consumption and 72% of all electricity consumed domestically is due to building operations. Approximately half of all building structures are heated by fossil fuels in the United States. Many of these buildings are aging with utility and primary systems becoming less efficient each year. In fact, a resounding example can be seen in city of Baltimore. These buildings are the oldest school buildings in the state, with an average age of 42 years old, or 12 years older than the average age of school buildings in Maryland, which is 30 years. Most of these buildings will likely be here for quite some time into the future.

There is hope. Nearly all of our building structures can be made more energy efficient regardless of age, if repaired and new mechanical insulation used that comply with current energy savings calculations. The industry has seen drastic energy savings occur from 30-70% reduction upon upgrading the mechanical insulation systems thicknesses. Most of these upgrades can often be offset by the energy savings within the first year and a half after the service is completed. More municipalities, corporations, building and business owners would be inclined to help reduce their carbon footprint if they had incentive to help offset the cost burden.

It is extremely encouraging to see legislation being raised that provides true incentives to take a leap towards reducing the carbon footprint through energy savings in respect to repairing, replacing, or renovating the mechanical insulation systems that are sorely necessary across our state.

We have been a part of seeing the energy savings in our industry and so many times have been asked to what benefit will I see a change. Until now, we had little to offer other than eventual savings, with no positive tax offerings. We believe that SB 738 is an excellent start for this state to help resolve cost issues associated with building improvements and will open the door towards meeting the environmental goals necessary across the globe. In this message, we ask that all of the committee vote in favor of SB738.

Sincerely and Respectfully,

Craig Miller  
Director of Business Development  
Southern Insulation, Inc