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SB 126 - Personal Tax Credit for Solar and Wind

Oral In-Person

Proponent

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TO: Senate Assessment and Taxation Committee



Madam Chair Tyson and Honorable Members of the Committee,

Thank you for the opportunity to provide remarks on SB 126, which would allow for an income tax credit for individual residents installing solar photovoltaics, solar water heating, and small wind energy systems. The Kansas Chapter of Sierra Club, which represents roughly 5000 Kansans, is supportive of SB 126 for its financial incentive for Kansas to adopt clean energy technology. We feel that clean energy adoption is a critical environmental solution that has several public benefits. Therefore, a financial incentive to spur home solar and wind in Kansas constitutes smart public policy and would be a positive gain for Kansas economically and environmentally.

At least 9 states have installed residential tax credits for residential solar or wind energy systems.

Several states have utilized this approach of residential tax credits to stimulate renewable energy investment, including Arizona, Iowa, South Carolina, Montana, New York, New Mexico, Utah, Massachusetts, and Hawaii. Idaho adopted a tax deduction and other states, including Missouri, have offered rebates for solar installations. As a result of this favorable incentive, several states have seen growth in their solar industry and rank much higher in terms of solar energy output, along with creating hundreds or thousands of solar jobs.

While Kansas is a top 10 state for the sun (solar resource), we are among the bottom states for the total amount of solar energy produced. As such, our state is losing out on a valuable asset for helping our state achieve energy self-sufficiency, gain new jobs, lower electric rates, lessen pollution, save water, and lower our carbon footprint.

In their rate study for the Kansas Legislature in 2020, AECOM concluded there were numerous benefits – including benefits for utilities – for increased solar adoption and that increased solar PV generation would benefit ratepayers. Clean energy from wind and solar offers numerous direct and indirect public benefits, including less water use, much less pollution, and therefore better health and environmental outcomes, along with economic gains of jobs and investment from new energy systems and savings from lower-cost generation. Specifically, solar power can aid utilities and the electrical grid by having additional low-cost power supply at times of peak demand.

While many Kansans are interested in home solar power to help them gain control of their energy bill and help the environment, upfront capital costs continue to deter or delay Kansans from installing solar. SB 126 could be the incentive that really brightens up the future for growing solar in Kansas.

The Sierra Club feels that there are several quantifiable benefits that would result from SB 126, such as economic productivity of jobs, energy savings, public health consequences, and more, which would likely outscore the loss of revenue from these tax credits. However, if there are concerns about the fiscal note of SB 126, we feel that even a lesser incentive would still hold positive benefits for Kansas. We also think that including residential energy storage, like home batteries, could add benefit to this bill as well.

Thank you for including these thoughts into your evaluation and please advance SB 126.

Zack Pistora | Legislative Director and State Lobbyist, Kansas Chapter of Sierra Club

The Sierra Club is the largest grassroots environmental organization dedicated to enjoying, exploring, and protecting our great outdoors. The Kansas Chapter represents our state's strongest grassroots voice on environmental matters for nearly fifty years.