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M. Dennis Knight
2024-2025 ASHRAE President

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February 24, 2025

The Honorable Joan Huffman
Senate Committee on Finance
Texas State Capitol
1100 Congress Avenue
Austin, TX 78701

RE: TX SB 214 “Relating to a temporary exemption from sales and use taxes for certain residential heating, ventilation, and air conditioning systems and installation services.”

Dear Senator Huffman.

I am writing on behalf of ASHRAE, the American Society of Heating, Refrigerating, and Air Conditioning Engineers. We are a professional and technical society of more than 55,000 members dedicated to energy efficiency, indoor air quality, resiliency, and sustainability in the built environment. Through our Society’s research, standards writing, publishing, certification, and continuing education, ASHRAE shapes tomorrow’s global built environment today. As one of the premier subject matter experts on the built environment, and on behalf of our nearly 3,000 members in the state of Texas, we wish to share our comments on Texas Senate Bill 214, “Relating to a temporary exemption from sales and use taxes for certain residential heating, ventilation, and air conditioning systems and installation services”; ASHRAE supports the goals of this legislation.

Texas Senate Bill 214 proposes to exempt the purchase and installation costs of HVAC systems from the state’s sales tax of 6.5 percent. To qualify for the exemption, the HVAC system would need to meet or exceed a Seasonal Energy Efficiency Ratio (SEER) of 14, would need to be an energy star certified appliance, and would need to be for use in a Texan’s primary residence. ASHRAE supports the goal of this legislation: to drive greater adoption of energy efficient building systems.

This tax exemption will lower upfront costs for homeowners, making energy-efficient HVAC systems more accessible. Since HVAC systems account for a significant portion of household energy use, these upgrades will lead to substantial long-term savings on utility bills. This means more money will stay in the pockets of Texan homeowners every single month. This money instead can be spent and reinvested in the state, fueling job creation and economic growth. Lower monthly costs are especially important for lower-income families, where even small savings can have a meaningful impact.

An informal survey of ASHRAE's members in Texas determined that the cost of an HVAC system that would benefit from this proposed exemption would be in the range of \$3,000 to \$13,000, representing a cost savings of \$195 to \$845. Even modest cost reductions can shape consumer behavior, and we believe that incentives like this bill proposes can help move the market in a direction that creates society wide benefits derived from greater energy efficiency. Beyond lower utility bills and reduced greenhouse gas emissions, one of these benefits is increased community resiliency. Energy efficient homes pull less power from the grid, and when the grid is under stress, such as during extreme weather, more energy efficient homes help keep the lights on for everyone.

Thank you for your consideration of our comments in support of the goals of TX SB 214. We welcome any opportunity to answer questions or speak to you about this legislation or the built environment more broadly. Thank you for your work to improve the built environment in Texas and improve the lives of Texan residents.

Sincerely,

A handwritten signature in blue ink that reads "M. Dennis Knight". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

M. Dennis Knight
2024-2025 ASHRAE President