

# MARYLAND FAIR FUNDING COALITION

Testimony in SUPPORT of HB 805  
Del. Anne Kaiser, Chair  
House Ways & Means Committee

The Maryland Fair Funding Coalition (MFFC) is a statewide coalition of more than 25 organizations that support policy proposals to equitably and sustainably raise revenue in order to make significant investments in public education and other essential services.

The MFFC supports proposals focused on eliminating corporate loopholes and tax breaks that benefit special interests, and fixing our upside-down tax code, which currently allows the wealthiest individuals to pay the smallest share of their income to state and local taxes. Fixing our tax system will support significant new state investments in education and ensure that large corporations and wealthy individuals are paying their fair share for the public services we all rely on.

**Our coalition supports HB 805, which would take steps to improve public reporting in one of Maryland's largest business tax break programs. It would also assist in reducing Enterprise Zone programs' accelerated growth.**

Maryland's economy is built on the foundation of our shared investments—things like quality health care, strong public schools, and reliable transportation networks. Surveys consistently find that these assets are among the most important factors business leaders consider when deciding where to start and grow a business. Individuals and businesses alike help maintain these investments through our taxes, but ineffective subsidy programs allow some businesses to reduce or eliminate their responsibility to help pay for the services they benefit from.

House Bill 805 would take several important steps to improve the program's accountability measures and help to rein in its growth. It would also require local governments to report basic data on Enterprise Zones to the state, while including the number of properties claiming tax credits, the number of new applications approved and specific examples of economic impacts in those designated communities.

Since 2001 our State and local governments endured cost of approximately \$600 million due to the Enterprise Zone Tax Credit, making it one of the state's largest business subsidy programs. HB 805 will reform the Enterprise Zone program and ensure that our shared resources are used to benefit Maryland communities and not already successful businesses receiving the subsidy.

Our coalition urges our legislators to commit to Maryland families and the future of our economy by supporting measures like HB 805 that reign in such programs growth while enabling the state to protect and strengthen basic services in dire need additional resources to benefit them.

**Therefore, we urge a favorable report on HB 805**