

Department of Legislative Services
Maryland General Assembly
2015 Session

FISCAL AND POLICY NOTE

House Bill 122 (Delegate B. Robinson, *et al.*)
Ways and Means

Task Force to Study the Impact of State and Local Taxes on Small Businesses

This bill establishes the Task Force to Study the Impact of State and Local Taxes on Small Businesses. The task force must study the impact of State and local taxes on the small business environment of the State and make specific recommendations, including developing draft legislation to ensure fairness, promote job growth, and encourage small business development. By December 31, 2015, the task force must report its findings and recommendations to the Governor and General Assembly. The Comptroller's Office must provide staff for the task force.

The bill takes effect June 1, 2015, and terminates June 30, 2016.

Fiscal Summary

State Effect: Minimal increase in general fund expenditures for the Comptroller's Office in FY 2016 for administrative expenses associated with the task force. Staffing can be provided using existing budgeted resources. No impact on revenues.

Local Effect: None.

Small Business Effect: None.

Analysis

Bill Summary: The task force established by the bill includes two members of the Senate, two members of the House of Delegates, one member from the Comptroller's Office, one member from the Department of Business and Economic Development, one member from the State Department of Assessments and Taxation, a representative of the

Maryland Association of Counties, and one member appointed by the Governor from each of the following organizations – the Governor’s Office of Minority Affairs, the Maryland Chamber of Commerce, and the Governor’s Commission on Small Business. In addition, the Governor must appoint two owners of small businesses in the State and also designate the chair of the task force. A member of the task force may not receive compensation but is entitled to reimbursement for expenses.

Background: Numerous organizations produce analyses comparing the business climates of each state, often with differing conclusions. For example, a recent presentation by the Greater Baltimore Committee (GBC), which aggregated multiple business climate surveys conducted in 2012, noted that Maryland’s business climate ranks between fifth and forty-first among all states. GBC noted that the range in the rankings is due to each survey’s subjectivity and the inconsistency in factors considered between the surveys.

Recent workgroups and commissions have examined Maryland’s overall business climate. In March 2014, the President of the Senate and Speaker of the House of Delegates announced the creation of a private-sector commission to focus on the State’s economic development structure and incentive programs and to make recommendations for changes to the General Assembly. The commission is due to issue its interim report in February 2015.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Comptroller’s Office, Greater Baltimore Committee, Department of Legislative Services

Fiscal Note History: First Reader - February 6, 2015
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