

# MARYLAND FAIR FUNDING COALITION

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## Testimony in SUPPORT of HB 222

Del. Anne Kaiser, Chair  
House Ways & Means Committee

The Maryland Fair Funding Coalition (MFFC) is a statewide coalition of 25 organizations dedicated to supporting policy proposals that modernize our state tax code and raise revenue to fund our public school system.

We strongly believe that the state can fund the necessary investments detailed in the Blueprint for Maryland's Future by eliminating corporate loopholes and tax breaks that benefit special interests and fixing our upside-down tax code, which allows the wealthiest individuals to pay the smallest share of their income in state and local taxes.

Currently, in the state of Maryland, business thrives, while our public school system has fallen from first to fifth in the nation. We have a once-in-a-generation opportunity to adequately invest our resources to create a world-class education system for *every* child in our state.

Our coalition supports HB 222, which would end the special treatment of capital gains income and generate roughly \$120 million in state revenue right away, and more in future years.

The special treatment of capital gains income allows wealthy investors to avoid paying their fair share of taxes on their income. It is also a driver of racial and ethnic inequality because the wealthiest 10% of white households controls nearly two-thirds of wealth nationwide.

It is time for every Maryland resident to pay their fair share of taxes, especially when critical state needs remain unmet - like our public education system. The Blueprint for Maryland's Future can only succeed if policymakers back them with sufficient resources. With a wide range of state services stretched thin, the best way to support needed investments in education is to reform Maryland's tax code to make it more effective and equitable.

Therefore, we urge a favorable vote on HB222.