



**LEGISLATIVE POSITION:**

**Favorable**

**House Bill 765**

**Maryland Tax Revision Commission**

**House Ways & Means Committee**

**Friday, February 21, 2020**

Dear Chairwoman Kaiser and Members of the Committee:

Founded in 1968, the Maryland Chamber of Commerce is the leading voice for business in Maryland. We are a statewide coalition of more than 4,500 members and federated partners, and we work to develop and promote strong public policy that ensures sustained economic growth for Maryland businesses, employees and families. Part of that work includes evaluating and maintaining the best approaches for business tax policies for the state.

House Bill 765 will establish an independent commission tasked with analyzing the state's current tax system and proposing innovative solutions for meeting projected revenue needs while recommending potential modifications to tax rates. In addition, the commission shall be tasked with making recommendations to the state's revenue structure that: 1) provide for fairness in apportionment of taxes, 2) broaden the tax base, 3) make the state's tax policy more competitive with surrounding states, 4) encourage business growth and job creation, and 5) modernize, simplify and increase transparency in the state's tax code.

The Maryland Chamber of Commerce believes that Maryland's revenue structure should promote job growth and economic development while ensuring fairness, simplicity and transparency throughout all policies. This commission would bring about recommendations to create a stable, balanced and transparent business-friendly environment.

We are aware that the General Assembly is presently seeking ways to raise the revenue needed to meet its key policy priorities, including education reform. Tax policy is complex and requires thoughtful evaluation to ensure that there is a full realization of unintended consequences, positive and negative, for businesses and the economy. Recognizing that the implementation of education priorities is funded in the near-term, this commission would afford policymakers and other stakeholders the time to evaluate options and achieve the desired balance in education and economic policy.

The Maryland Chamber of Commerce has long been committed to and remains invested in promoting an innovative, pro-business climate throughout the state and fostering a robust economy. HB 765 furthers that goal and will provide meaningful feedback on improving Maryland's overall economic competitiveness. If the commission is established, the Maryland Chamber of Commerce would hope to become a partner in these discussions and provide input from our membership and the broader business community.

For these reasons, the Maryland Chamber of Commerce respectfully requests a **favorable report** on **HB 765**.

