



LEGISLATIVE POSITION:

FAVORABLE

Senate Bill 496

**Recovery for the Economy, Livelihoods, Industries, Entrepreneurs and Families
(RELIEF) Act**

Senate Budget & Taxation Committee

Tuesday, January 26, 2021

Dear Chairman Guzzone 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 5,000 members and federated partners, and we work to develop and promote strong public policy that ensures sustained economic recovery and growth for Maryland businesses, employees, and families following the COVID-19 crisis.

To say that COVID-19 has had a tremendous, far-reaching, and extremely detrimental impact on Maryland's economy would be a gross understatement. Employment, retail sales, and many other economic indicators continue to move in the wrong direction as the virus rages on throughout our State. As a result, Maryland's job creators continue to struggle to maintain operations, with the Comptroller's Office previously estimating that approximately 30,000 Maryland businesses have closed or will close permanently as a direct result of the pandemic. Indeed, the economic impact of COVID-19 is unprecedented, and overcoming its implications will continue to require extraordinary and immediate response.

SB 496, the RELIEF Act of 2021, will provide more than \$1 billion in direct stimulus and tax relief for Maryland families and small businesses. The bill includes support for individuals in the form of direct stimulus payments and the repeal of state/local income taxes on unemployment benefits. It also includes support for small businesses. If the bill is enacted, small businesses will be eligible for up to \$3,000 per month for four months—for a total of \$12,000—in sales tax relief. As well, the bill would extend unemployment tax relief for small businesses by codifying an emergency executive order that will ensure an employer's 2021 tax rate will be calculated based on their non-pandemic experience – this is a Maryland Chamber priority. Lastly, the bill includes provisions that amount to a loan and grant forgiveness plan which would safeguard Maryland job creators against any tax increase triggered by the use of state loan/grant funds.

This emergency legislation amounts including direct assistance and economic stimulus is desperately needed by Maryland families and businesses. For these reasons, the Maryland Chamber of Commerce respectfully requests a **favorable report** on **SB 496**.

