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**SB 496 Recovery for the Economy, Livelihoods, Industries, Entrepreneurs, and Families
(RELIEF) Act**

**Senate Budget & Taxation Committee
January 26, 2021**

**Keiffer Mitchell, Chief Legislative Officer
Alexandra Keane, Deputy Legislative Officer
Secretary Kelly Schulz, Maryland Department of Commerce
Secretary Tiffany Robinson, Maryland Department of Labor
Deputy Secretary Marc Nicole, Department of Budget & Management**

Chair Guzzone, Vice-Chair Rosapepe, and Members of the Senate Budget & Taxation Committee:

The Governor asks for your favorable report on Senate Bill 496 - Recovery for the Economy, Livelihoods, Industries, Entrepreneurs, and Families (RELIEF) Act. The COVID-19 pandemic has caused devastating economic hardship for so many struggling Marylanders and small businesses. As a result, the top priority for Governor Hogan during the 2021 session is the RELIEF Act, which provides over \$1 billion in immediate and targeted financial relief and tax cuts to Maryland working families and small businesses that have lost their jobs and suffered financially as a result of the pandemic. A summary of the bill's provisions includes:

- **Provides direct stimulus payments for low-to-moderate income Marylanders** with benefits of up to \$750 for families and \$450 for individuals. This relief begins with immediate payments of \$500 for families and \$300 for individuals who filed for the Earned Income Tax Credit, followed by a second-round stimulus for EITC filers that would provide an additional \$250 for eligible families and \$150 for individuals. This relief will directly help more than 400,000 Marylanders.

- **Repeals all state and local income taxes on unemployment benefits**, providing further support and assistance for Marylanders who have lost their jobs.
- **Supporting small businesses with sales tax credits** of up to \$3,000 per month for four months—for a total of up to \$12,000. This relief will directly help more than 55,000 Maryland small businesses. Eligible businesses will include those that have gross revenues of less than \$1.2 million. This relief is automatic and based on a sliding scale up to \$3,000. For example, if you are a business with \$100,000 in monthly revenue and you collect \$6,000 in sales taxes, you only remit \$3,000. If you have \$50,000 in monthly revenue and you collect \$3,000 in sales taxes, you keep all \$3,000.
- **Extends unemployment tax relief for small businesses**, staving off sudden and substantial tax hikes in 2021. This provision codifies an emergency order the governor issued last month.
- **Loan and grant forgiveness plan** would safeguard Maryland business owners against any tax increase triggered by the use of state loan or grant funds.