



NFIB-Maryland – 60 West St., Suite 101 – Annapolis, MD 21401 – www.NFIB.com/Maryland

TO: Senate Budget and Taxation Committee

FROM: NFIB – Maryland

DATE: January 26, 2021

RE: **SUPPORT SENATE BILL 496** – Recovery for the Economy, Livelihoods, Industries, Entrepreneurs, and Families (RELIEF) Act.

Founded in 1943, NFIB is the voice of small business, advocating on behalf of America's small and independent business owners, both in Washington, D.C., and in all 50 state capitals. With more than 250,000 members nationwide, and nearly 4,000 here in Maryland, we work to protect and promote the ability of our members to grow and operate their business.

On behalf of Maryland's small businesses, NFIB supports Senate Bill 496 – emergency legislation that provides more than \$1 billion in financial assistance to Marylanders and small businesses. Specifically, SB496 includes \$300 million towards supporting small businesses with sales tax credits of up to \$3,000 per month for four months, and it extends unemployment insurance tax relief for small businesses that were forced to lay off or furlough employees during the COVID-19 pandemic.

Maryland's small businesses are facing an unprecedented economic crisis because of COVID-19. March 5, 2021 will be one year since Governor Hogan declared a state of emergency in response to the pandemic. Since then, thousands of small businesses were forced to close their doors, restrict their capacity, and let go employees. But during that time, the State has also provided critical financial assistance to these same businesses. Over \$500 million in emergency economic relief has made its way to help Maryland's job creators stay afloat. This relief, along with various county and local programs, have provided a much needed lifeline to small businesses.

Senate Bill 496 will continue efforts to reignite Maryland's economy. The sales tax credits in SB496 will allow retailers and restaurants to put that money towards hiring back workers, increasing stock, and upgrading their facilities to provide the safest safe possible for employees and customers alike.

SB496

SB496 also provides future protection from substantial unemployment insurance tax increases. Employers will not see their experience rating negatively impacted because of any claims that were the result of forced closures or restricted capacities.

With only four percent of small business owners reporting they are back to pre-COVID conditions and one-in-four owners saying they will have to close their doors for good if economic conditions don't improve soon¹, now is the time to pass SB496. Maryland small businesses employ half of our state's labor force but have felt an outsized impact of the pandemic. We encourage the General Assembly to consider this as they look for ways to help Marylanders recovery from the effects of the COVID-19 pandemic.

For these reasons, **NFIB supports SB496** and request an unfavorable report.

¹ Source: NFIB Research Center - <https://www.nfib.com/content/press-release/coronavirus/one-in-four-small-business-owners-will-close-doors-if-economic-conditions-dont-improve-soon/>