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Allegany and Washington Counties

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HB 411 - Department of Assessments and Taxation
Identification Number for Business - Task Force

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Thank you Madam Chair, Mr. Vice-Chair, and Members of the Committee.

HB 441 will simply create a workgroup, led by SDAT, to study the feasibility of creating a unique Maryland Identification number for each registered or licensed business in the State, for the purpose of improving inter-agency information and data sharing for business entities, and make it easier to recognize business entities registered with different State agencies.

Why are we looking to do this? Well, as you know, I am a small business owner. Every business in Maryland is required to register with SDAT, and most businesses are required to file business taxes, or acquire licenses with the Department of Health, Labor, etc. When you register your business with SDAT, the Department assigns your business a unique identifier code or "SDAT ID #". However, the Comptroller and other state agencies do not recognize this code. For example, the Comptroller only recognizes business entities via the Employer Identification Number (EIN).

This has become a major frustration for business owners. If your business is in good standing with SDAT, but not in good standing with let's say the Department of Labor, or the Comptroller, etc. Those agencies can still (and they have in the past) order SDAT to place your business in "not good standing" status or "forfeited" status, for whatever the reason is.

So as a business owner, you call SDAT to find out what the problem is, SDAT has no idea why another agency ordered them to put a hold on your business, you call the appropriate agency, you give them your SDAT ID #, and that agency of course does not recognize it. You then have to go through a very archaic process for the agency to find your business, and then...once the

issue is resolved...the agency has to work with SDAT to let them know your business is back in compliance and lift the hold in SDAT's records.

This is a very archaic and frustrating process and would be much easier if State agencies could recognize "one" unique business identifier.

The specific Departments listed in the bill were added since they are heavily involved in licensing businesses and maintaining business databases.

So in conclusion, let's get the conversation started by having these Departments get in the same room together, or virtually, and see if we can come up with a solution. Also, we welcome any other agency that would like to be involved in this discussion, we also added MACo to bring some additional accountability. Most County governments already recognize the SDAT ID # and check with SDAT for the status of business entities in their jurisdictions, so we felt that MACo can bring some expertise to this discussion.

There is no fiscal note, and this legislation has been cross-filed in the Senate as well.

I urge a favorable report on HB 441.

Delegate Mike McKay
Serving Allegany and Washington Counties