

Hearing Testimony January 21, 2021
House Ways and Means Committee
Service Employees International Union, Local 500, CtW, CLC

House Bill 165 - Maryland Estate Tax – Unified Credit

SUPPORT

SEIU Local 500 is made up of over 20,000 working people in Maryland, Washington D.C., and Virginia. Our union represents the support staff of Montgomery County Public Schools, family child care providers, adjunct faculty at several Maryland colleges and universities, staff at non-profits, and many other working people across the region. Our members have been on the front lines since the beginning of the COVID-19 pandemic, which is why today we submit this testimony in favor of House Bill 165. As the General Assembly plans our state's path through a post-COVID recovery, any reforms that make our government's means of gathering revenue more equitable and just should be implemented. HB 165 represents just such a reform.

Estate taxes such as Maryland's have a long history both as a means of raising revenue and as safeguard for American democracy and meritocracy. Applied only to the wealthiest of heirs, estate taxes bring in revenue from unearned income an individual receives after the death of a relative or benefactor - a reasonable proposition in our society, where we routinely ask working families to contribute a portion of the living they have earned through their labor for the common good. They also serve to prevent the otherwise inevitable snowballing of wealth within certain rare families from generation to generation, helping to preserve meritocracy in our economy and limit the power of insurmountable wealth in our democracy.

Much as Maryland has already acknowledged the utility and benefits of having an estate tax, our state has fallen behind our peers in adjusting the credits and thresholds of our own tax to the reality's of today's economy. Fortunately, House Bill 165 offers a chance for the House to make an adjustment to our estate tax that would increase our state's financial health during the ongoing crisis and beyond. It's a reasonable, incremental, and equitable solution for reforming our state's tax code.

House Bill 165 would move Maryland closer to its peers in assessing estate taxes and allow the state to acquire much-needed revenues without making any demands of working Marylanders. We therefore ask for your support for HB165 and strongly urge a favorable committee report. Thank you each for your dedication to passing this legislation, to fairness and justice, and to the working people of our state – and thank you for considering our testimony.

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