



City Union of Baltimore

Local 800, AFT, AFL-CIO

President

Antoinette Ryan-Johnson

Executive Vice President

Donna Price

**Written Testimony from the City Union of Baltimore
AFT Local 800
Submitted by Antoinette Ryan-Johnson, President
HB 357 – Income Tax – Pass-through Entity – Additional
House Ways and Means Committee
January 28, 2021**

SUPPORT

Good afternoon Chairwoman Kaiser and members of the House Ways and Means Committee. My name is Antoinette Ryan-Johnson, and I am the president of the City Union of Baltimore, AFT Local 800, the union representing a number of Baltimore City government workers. On behalf of the thousands of municipal employees working to serve the residents of Baltimore City, the City Union of Baltimore enthusiastically calls for a favorable report on HB 357, the bill that closes a loophole by which large corporations can claim their income as taxable under the personal tax rate rather than the appropriate corporate tax rate.

The members of the City Union of Baltimore are on the frontlines as counties and cities like Baltimore attempt to provide these essential services on a day-to-day basis. Whether it is working for the city's health department, answering calls to the city's 311 and 911 phone lines, maintaining vital infrastructure such as roads, or making sure basic necessities like drinking water or regular trash pickup are provided to our residents, CUB members certainly have been risking their lives to make sure our city remains up and running. Indeed, we have unfortunately lost some members who gave their lives in the service of our city so that residents may make it through this terrible pandemic.

The global pandemic has absolutely hindered our local municipality's ability to raise the revenues we need to keep providing these basic services, however. Long anticipated aid to local governments has been slow to come to fruition, and this has only placed more stress on local government's ability to provide these services to our residents. Let me make this abundantly clear—we will not survive this pandemic if we as a state and our local governments cannot provide these basic services to our residents.

"Strength in Unity"

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The tax loophole that currently exists has given ultra wealthy corporations a big perk perk—namely, being able to claim their income as taxable under the individual, not corporate, tax rate. Maryland can no longer afford perks such as these where a limited few—largely quite privileged and wealthy—are given fiscal advantages that are unavailable to the typical resident, especially at a time when the state is scrambling to figure out how to maintain these vital services. The wealthy and poor alike deserve access to clean drinking water, safe, well-kept roads, and the expectation that someone will be on the other line when they call 911 in case of an emergency. The state must close this tax loophole if it is to be able to assist local jurisdictions in providing these services to residents in this time of great need.

Again, I urge a favorable report for HB 357. Thank you.