



POSITION STATEMENT

TESTIMONY PRESENTED TO THE HOUSE WAYS AND MEANS COMMITTEE

HOUSE BILL 612 - RECOVERY FOR THE ECONOMY, LIVELIHOODS, INDUSTRIES,
ENTREPRENEURS, AND FAMILIES (RELIEF) ACT

February 4, 2021

DONALD C. FRY
PRESIDENT & CEO
GREATER BALTIMORE COMMITTEE

Position: Support with Amendments

The Greater Baltimore Committee strongly supports House Bill 612 with the amendments adopted by the Senate Budget and Taxation Committee to the cross-filed bill, Senate Bill 496.

The GBC has been actively involved in supporting businesses as they weather the ill effects of the pandemic and the resulting restrictions placed on business operations and the resulting economic downturn. To address the challenges and to assist businesses to recover a COVID-19 Business Recovery Advisory Council was selected to make recommendations to benefit businesses in the Greater Baltimore business community.

One of the council's key recommendations is:

- **To strongly advocate federal, state, and local officials to use data and employer feedback to ensure that financial and programmatic supports for COVID relief are directed to the most impacted industry sectors** (i.e. restaurants, hotels, retail, not for profits, etc.).

As introduced, House Bill 612 contains a number of provisions that assist Maryland residents and businesses negatively impacted by the pandemic. The bill:

- Provides up to \$750 in economic impact payments to a taxpayer who claims the State earned income tax credit in certain tax years
- Exempts from the State income tax any unemployment insurance (UI) benefits received by an individual
- Authorizes certain businesses to retain an increased sales and use tax vendor credit
- Excludes fiscal 2020 and 2021 from the multi-year lookback periods generally used to establish employer UI taxes each year
- Exempts from the State income tax the receipt of coronavirus relief payments
- Authorizes the Department of Commerce to convert certain business loans into grants

The GBC is fully supportive of these provisions and the relief that they will bring for many suffering Marylanders. However, much more assistance is needed to provide relief and bring about economic recovery.

The amendments adopted by the Senate Budget and Taxation Committee build on these proposals with targeted relief to the most impacted industry sectors. These industry sectors were identified in presentations made to the GBC's COVID-19 Business Recovery Advisory Council based on data from the Federal Reserve Bank of

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Richmond, Baltimore and the Baltimore Metropolitan Council. The data presented demonstrates that these sectors have clearly been impacted the most.

Additionally, the GBC urges that in considering relief proposals that special attention be directed to small and minority businesses as they have been disproportionately impacted.

The amendments adopted by the Senate Budget & Taxation Committee include the following businesses related grants:

- \$30 million for grants to nonprofits
- \$10 million for emergency arts grants
- \$26 million for restaurant relief
- \$10 million for hotels and hospitality businesses
- \$10 million for entertainment venues
- \$10 million for disadvantaged businesses
- \$10 million to assist with job training through local workforce investment boards
- \$40 million for businesses who do not collect sales tax

Transportation is another service ravaged by the coronavirus pandemic. The Budget and Taxation amendments work to address this need by providing \$63 million in transportation assistance, including restoration of MTA services, assisting commuter and shuttle buses with losses, and restoring funds for highway road maintenance that were reduced as part of cost containment.

The Budget & Taxation Committee amendments also provide a large investment in education, with the following programs funded:

- \$50 million for summer school or tutoring for 25,000 students, programs definitely needed to assist students who may have fallen behind because they have been unable to adjust to remote learning or have limited access to broadband
- \$50 million to provide resources to local governments to safely accelerate in-person education
- \$15 million for community college job training – funding that could be used to expedite rapid credentialing that would aid in workforce development efforts

Although adopting amendments similar to the Budget & Taxation amendments would enlarge the magnitude of the fiscal note, now is the time for state policymakers to take bold steps to stand up the economy and to help those who have been most negatively impacted by the pandemic. The GBC is in full support of House Bill 612 with the amendments adopted by the Budget & Taxation Committee, and respectfully requests passage of the legislation.

For these reasons, the Greater Baltimore Committee urges the House Ways & Means Committee to adopt the amendments proposed by the Senate Budget & Taxation Committee (Senate Bill 496) and to issue a favorable report on House Bill 612 as amended.

The Greater Baltimore Committee (GBC) is a non-partisan, independent, regional business advocacy organization comprised of hundreds of businesses -- large, medium and small -- educational institutions, nonprofit organizations and foundations located in Anne Arundel, Baltimore, Carroll, Harford, and Howard counties as well as Baltimore City. The GBC is a 66-year-old, private-sector membership organization with a rich legacy of working with government to find solutions to problems that negatively affect our competitiveness and viability.