LEGISLATIVE POSITION:
Favorable
Senate Bill 267
Income Tax – Healthy Indoor Air Quality Tax Credit
Senate Budget & Taxation Committee

Wednesday, January 26, 2022

Dear Chairman Guzzone and Members of the Committee:

Founded in 1968, the Maryland Chamber of Commerce is the leading voice for business in Maryland. We are a statewide coalition of more than 5,500 members and federated partners working to develop and promote strong public policy that ensures sustained economic recovery and growth for Maryland businesses, employees, and families.

SB 267 allows small businesses to claim a credit against the State income tax for costs incurred for the purchase and installation of qualifying indoor air quality equipment. As introduced, this tax credit applies to businesses employing 50 or fewer full-time employees in the amount equal to 50% of the qualified expenses, not to exceed $2,000, for tax years 2022 and after.

Small businesses are the backbone of Maryland's economy but have struggled to maintain operations because of the COVID-19 pandemic and an ever-changing array of state and local regulations. Despite such turbulence in regulatory environment, small businesses have remained committed to the health and safety of their employees and customers. It is commonplace for businesses to adopt and enforce all CDC recommended guidelines to ensure public health, however, some have gone the extra step by investing in clean air technologies to filter the air of their establishments.

SB 267 provides a modest tax credit to offset the expenses incurred for the purchase and installation of those clean air technologies, while also incentivizing others to adopt them. HB 85 is a great example of government support for small businesses by taking a proactive approach to economic recovery and technology adaptation.

The Maryland Chamber of Commerce respectfully requests a **favorable report** on SB 267, as it provides both targeted relief and a modest technology adoption incentive for Maryland's still struggling small businesses.