

CMC Letter of Support_SB547.pdf

Uploaded by: Andrew Griffin

Position: FAV



Central Maryland Chamber
The Center of Intelligent Business

LEGISLATIVE POSITION: Favorable
Hon. Guy Guzzone
Chair, Senate Budget & Tax Committee
3 West Miller Senate Office Building
Annapolis, MD 21401

Re: SB 547 Broadband Expansion Incentive Act of 2023 - SUPPORT

Dear Chair Guzzone:

The Central Maryland Chamber of Commerce (CMC) was formed in 2017, a merger of two existing chambers- The Baltimore Washington Corridor Chamber (originally founded in 1948) and the West Anne Arundel County Chamber (originally founded in 1962). The CMC is a regional organization representing approximately 350 businesses in the Central Maryland corridor and exists to be the primary business resource and advocate as the area experiences exponential growth.

The Central Maryland Chamber is writing in support of SB547.

As introduced, Senate Bill 547 creates a five-year moratorium on the sales and use tax for broadband infrastructure equipment. It also ends state taxation of federal broadband grants, maximizing taxpayer investment in these critical infrastructure projects.

SB 547 will bridge the digital divide and ensure that Maryland businesses and communities are positioned to take advantage of this necessary technology. Maryland employers, schools, community service organizations, and others must increasingly rely on digital access for everyday functions. As such, it is critical now more than ever that Maryland extend broadband access to everyone.

Broadband should be available to all and should also be affordable and easily accessible to give all Maryland residents equal access to necessary news and information.

This legislation will put Maryland at the forefront of economic competitiveness, spur business activity across the state and provide jobs and stability. The Central Maryland Chamber of Commerce values expanding broadband access and therefore respectfully requests a **favorable report** on **SB 547**.

Sincerely,

President & CEO,
Central Maryland Chamber of Commerce

Harford Chamber.SB 547 Support.pdf

Uploaded by: Andrew Griffin

Position: FAV



February 27, 2023

LEGISLATIVE POSITION:

Favorable
Senate Bill 547
Broadband Expansion Incentive Act of 2023
Budget & Taxation Committee
Wednesday, March 1, 2023

Dear Chairman Guzzone and Members of the Committee,

The Harford County Chamber of Commerce serves as the premier business advocate in Harford County helping our members connect and thrive to create a vibrant economy across all sectors of our county.

As introduced, Senate Bill 547 creates a five-year moratorium on the sales and use tax for broadband infrastructure equipment. It also ends state taxation of federal broadband grants, maximizing taxpayer investment in these critical infrastructure projects.

Broadband accessibility in certain areas of Harford County is non-existent or minimal. SB 547 will bridge the digital divide and ensure that Harford County residents and businesses are positioned to take advantage of this necessary technology. Harford County employers, schools, community service organizations, and others must increasingly rely on digital access for everyday functions. As such, it is critical now more than ever that Maryland extend broadband access to everyone.

This legislation will put Maryland at the forefront of economic competitiveness, spur business activity across the state and provide jobs and stability. The Harford County Chamber of Commerce values expanding broadband access and therefore respectfully requests a favorable report on SB 547.

Sincerely,

Handwritten signature of Angela M. Rose

Angela M. Rose
President & CEO

2021-22 Board of Directors Officers

Chair: Mary Ann Bogarty
Jarrettsville Federal Savings & Loan
Immediate Past Chair: Lee Tayson
Companion Insurance Agency
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Matthew Scales
Visit Harford
Robert Wehland
Freedom Federal Credit Union

President/CEO
Angela Rose

Salisbury Area Chamber_SB547_Support.pdf

Uploaded by: Andrew Griffin

Position: FAV



February 24, 2023

Senator Guy J. Guzzone
Chair, Senate Budget and Taxation Committee
Miller Senate Office Building
3 West Wing
11 Bladen Street
Annapolis, MD 21401

Dear Chair Guzzone,

On behalf of the seven-hundred businesses and organizational members representing Maryland's eastern shore, the Salisbury Area Chamber of Commerce strongly supports SB0547 (Broadband Expansion Incentive Act of 2023.)

This legislation is a business priority which provides a sales tax exemption for the purchase of broadband equipment and deletes the tax add back provision on federal broadband grants. These are critical incentives to help make Maryland's businesses more competitive as well as addressing the critical need for more widespread rural broadband installations. This bill will significantly close the digital divide in our state and be a boost for our small businesses in particular.

The Salisbury Area Chamber of Commerce urges a favorable report on SB0547.

Sincerely,

A handwritten signature in black ink, appearing to read "W. R. Chambers".

William R. Chambers
President/CEO

SALISBURY AREA CHAMBER OF COMMERCE

The Voice for Business on Delmarva

200 E Church Street • Salisbury, Maryland 21801-0583 • 410-749-0144 • Fax 410-860-9925
www.salisburyarea.com • www.sbybiz.org

SB 0547 - Broadband Expansion Incentive Act of 202

Uploaded by: Andrew Griffin

Position: FAV

February 23, 2023

Budget and Taxation Committee
Senator Guy Guzzone
3 West
Miller Senate Office Building
Annapolis, Maryland 21401

SB 0547 - Broadband Expansion Incentive Act of 2023 - Support

Dear Senator Guzzone:

SB 547 creates a five-year moratorium on the sales and use tax for broadband infrastructure equipment. It also ends state taxation of federal broadband grants, maximizing taxpayer investment in these critical infrastructure projects.

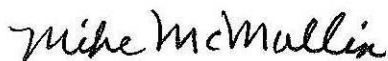
This bill will help to bridge the digital divide and ensure that Maryland businesses and communities are positioned to take advantage of this necessary technology. Maryland employers, schools, community service organizations, and others must increasingly rely on digital access for everyday functions. The challenges posed by the COVID pandemic revealed the difficulties that result from a lack of broadband coverage and access.

As such, it is critical now more than ever that Maryland extend broadband access to everyone. Mostly rural counties, such as Carroll County, will see particular advantage, since many areas of the county are not currently covered by any broadband service. SB 547 will make it more attractive for providers to expand in our area and bring this service to more residents.

This legislation will help to put Maryland at the forefront of economic competitiveness, spur business activity across the state and provide jobs and stability.

The Carroll County Chamber of Commerce, a business advocacy organization of nearly 700 members, supports this bill and therefore requests that you give it a favorable report.

Sincerely,



Mike McMullin
President
Carroll County Chamber of Commerce

Cc: Senator Justin Ready
Delegate April Rose

SB 547_Broadband Expansion Incentive Act of 2023_F

Uploaded by: Andrew Griffin

Position: FAV



LEGISLATIVE POSITION:

Favorable

Senate Bill 547 - Broadband Expansion Incentive Act of 2023

Senate Budget and Taxation Committee

Wednesday, March 1, 2023

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 6,400 members and federated partners working to develop and promote strong public policy that ensures sustained economic health and growth for Maryland businesses, employees, and families.

SB 547 provides for a subtraction modification under the Maryland income tax code for certain broadband grants and provides a sales tax exemption for certain equipment that serves to provide internet service and deploy broadband across the state.

Depending on the standard used, the Maryland Department of Planning reports that somewhere between 15-20% of Maryland households lack access to high-speed internet. Using the FCC standard, this figure rises to 36% of Maryland households that lack access to broadband services.

Under the current cost and market structure, Maryland's broadband providers do not have the resources necessary to expand their services to areas across the state that lack economically viable population density. This lack of connectivity to underserved areas of Maryland is detrimental to our state's capacity for comprehensive economic growth and limits the potential for dynamic entrepreneurial activity in all corners of the state. Access to functional and affordable internet service is vital to a thriving state economy and an educated workforce, both of which have become glaring challenges since the COVID-19 pandemic.

The Maryland Chamber of Commerce believes that investing in widespread broadband is an essential part of Maryland ensuring it has the necessary digital infrastructure that can support a competitive 21st-century business environment. SB 547 is a critical step towards ensuring that broadband providers across the state will have the necessary economic incentive to expand the reach of their services.

For these reasons, the Maryland Chamber of Commerce respectfully requests a **Favorable Report** on SB 547.

2023 GBCC SB 547 Broadband SUPPORT.pdf

Uploaded by: Ashlie Bagwell

Position: FAV



Testimony on behalf of the Greater Bethesda Chamber of Commerce

*In Support of
Senate Bill 547—Broadband Expansion Incentive Act of 2023*

*Wednesday, March 1, 2023
Senate Budget and Taxation Committee*

The Greater Bethesda Chamber of Commerce (GBCC) was founded in 1926. Since then, the organization has grown to more than 550 businesses located throughout the Greater Bethesda area and beyond. On behalf of these members, we appreciate the opportunity to provide written comments on Senate Bill 547—Broadband Expansion Incentive Act of 2023.

Access to broadband is important to economic development. A better internet connection offers greater access to shared platforms, prompt transfer of information and the ability to share files quickly and easily. It makes it easier for employees and customers to collaborate and communicate efficiently, and this can translate into revenue growth. Access to broadband is also crucial for so many important industries, including public safety, education and health care. House Bill 551 allows a subtraction modification under the Maryland income tax for qualified broadband grants for broadband deployment. In addition, the bill provides an exemption from the sales and use tax for the sale of equipment related to providing internet service and deploying broadband.

We appreciate Governor Moore and the Administration for acknowledging and supporting increased access to broadband across the state. For this reason, we enthusiastically support Senate Bill 547 and urge a favorable vote.

SB0547 -- Broadband Expansion Incentive Act of 202

Uploaded by: Brian Levine

Position: FAV



Senate Bill 547 -- *Broadband Expansion Incentive Act of 2023*
Senate Budget and Taxation Committee
March 1, 2023
Support

The Montgomery County Chamber of Commerce (MCCC), the voice of business in Metro Maryland, supports Senate Bill 547 -- *Broadband Expansion Incentive Act of 2023*.

Senate Bill 547 exempts the purchase of network equipment from the sales and use tax and authorizes individuals and corporations to claim an income tax subtraction modification for the amount of any qualified federal broadband grant awarded to the taxpayer during the taxable year.

One of MCCC's longtime policy priorities is greater access to affordable, high-speed broadband for all Marylanders, especially those who are currently underserved by these opportunities. Improved access to broadband has numerous benefits:

- **Learning Opportunities** - There remains a stark divide in learning opportunities for students who live in areas of the State with broadband access and those who do not. Many were aware of the digital divide before the COVID-19 pandemic, but those realities became more pronounced when schools transitioned to remote learning. Closing the digital divide in underserved and unserved areas, which exist in rural and urban environments and many places in between, is an educational imperative. Greater broadband would create greater educational equity and a better prepared future workforce.
- **Economic Growth** - Today, quality high-speed internet is an economic necessity. Access to broadband allows for greater innovation in an increasingly digital economy. If a Marylander lacks access to broadband, they also lack access to economic opportunities, which inhibits entrepreneurship and business formation. Lack of broadband access also makes Maryland less competitive by providing inadequate economic opportunities for all its residents.
- **Social Returns** - More equitable access broadband allows unserved and underserved communities increased access to educational and economic opportunities, but also brings other benefits that come with smart technology. These include access to telehealth that improves health outcomes and public safety technology to make communities safer.

For these reasons, the Montgomery County Chamber of Commerce supports Senate Bill 547 and respectfully requests a favorable report.

The Montgomery County Chamber of Commerce, on behalf of our nearly 500 members, advocates for growth in business opportunities, strategic investment in infrastructure, and balanced tax reform to advance Metro Maryland as a regional, national, and global location for business success. Established in 1959, MCCC is an independent non-profit membership organization and a proud Montgomery County Green Certified Business.

Brian Levine | Vice President of Government Affairs
Montgomery County Chamber of Commerce
51 Monroe Street | Suite 1800
Rockville, Maryland 20850
301-738-0015 | www.mcccmd.com

SB547- RMC Support Testimony - Broadband Expansion

Uploaded by: Charlotte Davis

Position: FAV

Testimony in Support of
Senate Bill 547 – Broadband Expansion Incentive Act of 2023
Senate Budget and Taxation Committee
March 1, 2023

The Rural Maryland Council **supports** Senate Bill 547 – Broadband Expansion Incentive Act of 2023. This bill will allow a subtraction modification under the Maryland income tax for certain qualified broadband grants awarded during the taxable year for broadband deployment; provides an exemption from the sales and use tax for the sale of certain equipment related to providing internet service and deploying broadband; and generally relating to tax incentives for broadband deployment.

Passage of this bill will help expand access to broadband throughout the State. Incentives in tax policy will help to lower the overall cost of infrastructure expansion. Many telecom companies borrow to invest in new markets or expand within existing ones. The subtraction modification and the sales tax exemption will incentivize companies to take on debt capital, especially in markets and investments where there is no immediate return. Debt for financing new facilities, operational expenses (e.g., pole attachments, digging), equipment, and working capital can support more rapid deployment of rural broadband.

(<https://www.brookings.edu/blog/techtank/2017/11/06/tax-reform-can-support-rural-broadband/>)

The lack of broadband access is one of the greatest concerns in rural Maryland. Having access to fast and reliable internet has become increasingly essential over the past several years and even more so during the recent pandemic. Many children must now rely on the internet to attend class and complete schoolwork, and more adults are now working from home. Other services such as telehealth visits have also become more popular, allowing patients to have medical examinations administered from the safety of their homes when transportation options are limited. In a time of growing dependency on technology, these trends are certain to continue.

In 2017, the Maryland General Assembly created the Task Force on Rural Internet, Broadband, Wireless and Cellular Service. The Task Force considered several legislative options focused on tax and regulatory policy as suggested by task force members. The Task Force discussed a potential sales tax exemption for broadband equipment. The State could eliminate the sales tax requirement on broadband equipment. One industry-funded economic analysis shows that eliminating the sales and use tax on communications infrastructure would over three years: generate over \$689 million in new economic activity in Maryland; create 2,800 new private sector jobs paying \$138,000,000 annually in wages; and generate \$9 million in new state and local taxes. In 2018, the Task Force issued a report that included this legislative proposal. (https://rural.maryland.gov/wp-content/uploads/sites/4/2019/01/2018_MSAR11544_Task-Force-for-Rural-Internet-Broadband-Wireless-and-Cellular-Service-Report-1.pdf)

The Federal government has already allocated more than \$72 billion for broadband development and infrastructure. At the end of 2021, President Joe Biden signed into law the Infrastructure Investment and Jobs Act (“IIJA”), a major infrastructure investment that included \$65 billion allocated for broadband development, particularly in rural and underserved communities.

Maryland Households with No Internet Access	
County	Percentage with no internet access
Howard	3.9
Montgomery	4.8
Anne Arundel	5.6
Harford	7.6
Prince George's	7.8
Calvert	7.9
Queen Anne's	8.0
Frederick	8.2
Baltimore County	8.8
Charles	9.1
Carroll	9.5
Cecil	9.5
St. Mary's	10.10
Talbot	11.4
Worchester	12.4
Wicomico	13.2
Caroline	13.9
Washington	14.9
Somerset	17.1
Allegany	17.2
Garrett	17.3
Dorchester	17.4
Baltimore City	17.6
Kent	21.3

<https://broadbandusa.maps.arcgis.com/apps/webappviewer/index.html?id=50c64e2c028d46a58247125e4bcdcd8>

According to the Maryland Office of Statewide Broadband, as of December 15, 2022, the office has distributed \$23,200,000 in broadband expansion grants, \$130,100,000 in infrastructure grants and \$29,100,000 in additional broadband grants.

Providers report that existing tax obligations make many rural and underserved areas with fewer financial resources ineligible “due to their inability to meet the financial sustainability requirement” and pay taxes on the grant. (<https://www.jdsupra.com/legalnews/tax-exemption-for-federal-broadband-2322681/>)

Other States have adopted these incentives. In 2022, Virginia’s Governor signed H.B. 1155, which expands the sales tax exemption for amplification, transmission and distribution equipment to now include “network equipment” that is used to provide Internet service. In 2019, the State of Wyoming released an economic study of the potential removal of its sales and use tax exemption of equipment by a telecommunications service provider, video programming service provider, or provider of internet access used to provide broadband internet service. The study found removal of the sales tax exemption for purchases would increase the production costs for the telecommunications industry of \$1.0 million per and would result in an average annual loss of 4 jobs and a decrease in GDP of \$0.5 million per year over the period of 2022 to 2030. (<https://wyoleg.gov/InterimCommittee/2022/03-2022112104-022022BroadbandInternetProvidersReport.pdf>)

While rural Marylanders lack access to highspeed internet, they are among those who can benefit the most from it. A 2019 study by the U.S Department of Commerce reported that rural businesses could add

more than \$140 billion to the U.S economy and add an additional 360,000 full time jobs to rural communities over a three-year period by adopting more digital tools in rural areas. For this to be accomplished, rural areas must have adequate access to high-speed internet. Location or income should not determine whether an individual or business has access to an important resource such as highspeed internet. A child should not fall behind in school because of their family’s economic situation.

We ask for your favorable support of Senate Bill 547. Thank you.

The Rural Maryland Council (RMC) is an independent state agency governed by a nonpartisan, 40-member board that consists of inclusive representation from the federal, state, regional, county and municipal governments, as well as the for-profit and nonprofit sectors. We bring together federal, state, county and municipal government officials as well as representatives of the for-profit and nonprofit sectors to identify challenges unique to rural communities and to craft public policy, programmatic or regulatory solutions.

SB 547 – Broadband Expansion Incentive - FAV - REA

Uploaded by: Christa McGee

Position: FAV



Senate Bill 547 – Broadband Expansion Incentive Act of 2023

Position: Support

Maryland REALTORS® support SB 547, which exempts qualified broadband grants from Maryland income taxes and exempts the purchase of broadband networking equipment from state sales and use taxes.

High-speed internet is an important and needed service which is now essential to daily life. This was particularly apparent during the coronavirus (COVID-19) pandemic, as many employers transitioned their workers from on-site work to telework and schools transitioned students to distance learning.

Communities prosper when they gain access to high-speed Internet. Recent studies show that access to high-speed internet increases property values anywhere from 3-6%. The absence of broadband makes a community a less attractive location for new investment and prevents residents from locating in rural areas. Furthermore, availability of “new economy” jobs is impossible in a community with little or no broadband access.

Broadband is also a crucial tool for housing Maryland’s residents. Consumers increasingly use online services for at least a part of the buying or selling process. Even before the pandemic, many REALTORS® experienced buyers cancelling a home purchase because the property lacked access to high-speed internet.

In the future, new technologies will be adopted that will only increase reliance on the availability of fast, efficient, and cost-effective access to broadband services. For this reason, Maryland REALTORS® recommend a favorable report on SB 547.

**For more information contact lisa.may@mdrealtor.org or
christa.mcgee@mdrealtor.org**

Leter SB 547 Broadband Expansion Incentive Act of

Uploaded by: Christopher Costello

Position: FAV



6240 Old Dobbin Lane ■ Suite 110 ■ Columbia, MD 21045

March 1, 2023

Hon. Guy Guzzone
Chair, Senate Budget & Tax Committee
3 West Miller Senate Office Building
Annapolis, MD 21401

Re: SB 547 Broadband Expansion Incentive Act of 2023 - SUPPORT

Dear Chair Guzzone:

The mission of the Howard County Chamber (Chamber) is to accelerate business growth through connections, advocacy, and professional development. As County Chamber, we are proud to have nearly 700 businesses, of all sizes, as members and serve as the county's premiere business membership organization. The Chamber provides greater value to our members by creating opportunities for our business owners and their employees to connect with some of the region's most influential community leaders, business executives, and elected officials.

Our community has realized that access to affordable and dependable high-speed broadband service is essential to meet education, healthcare, public safety, and economic development needs in today's digital world. Howard County communities without robust broadband access are at a digital disadvantage, leaving businesses unable to compete on par with the rest of society. HB 551/ SB 547 will finally create the needed financial incentive for Internet Service Providers (ISPs) and Counties of Maryland to build out the broadband infrastructure in underserved areas.

For these reasons the Chamber requests a favorable vote for HB 551.

Sincerely,

A handwritten signature in black ink that reads 'Leonardo McClarty'.

Leonardo McClarty, CCE
President/CEO, Howard County Chamber

CDN SB547 FAVORABLE.pdf

Uploaded by: Claudia Wilson Randall

Position: FAV



Testimony SB 547
Budget & Taxation Committee
March 1, 2023
Position: FAVORABLE

Dear Chairman Guzzone & Members of the Budget & Taxation Committee:

The Community Development Network of Maryland (CDN) is the voice for Maryland’s community development sector and serves nearly 200 member organizations. CDN—focuses on small affordable housing developers, housing counseling agencies and community-based non-profits across the state of Maryland. The mission of CDN is to promote, strengthen and advocate for the community development sector throughout Maryland’s urban, suburban and rural communities. CDN envisions a state in which all communities are thriving and where people of all incomes have abundant opportunities for themselves and their families.

SB 547 would allow a subtraction modification under the Maryland income tax for certain qualified broadband grants awarded during the taxable year for broadband deployment; and providing an exemption from the sales and use tax for the sale of certain equipment related to providing Internet service and deploying broadband.

According to the Brookings Institution, “...the social returns to investment in broadband are significant. Increasing access and usage of broadband infrastructure in rural areas (and the amenities, digital skills, online education, and job search opportunities that come with it) lead to higher property values, increased job and population growth, higher rates of new business formation, and lower unemployment rates, according to researchers at the Federal Reserve Bank of Richmond. Broadband expansion can also improve health and life outcomes, offering access to remote healthcare providers, online social networks, and educational opportunities.”

In October 2020, CDN commissioned a report, “Disconnected in Maryland,” by John Horrigan, Ph.D. The report found that more than half a million households in our state, nearly 1 in 4, do not have a home wireline broadband subscription. Two-thirds of those who are disconnected live in metro counties or Baltimore City. These households are disproportionately poor, African American and Hispanic.

In October of 2022, with the Baltimore Neighborhood Indicators Alliance, the Baltimore Digital Equity Coalition and the Abell foundation launched a mapping tool that sheds light on the geography of disconnection in Maryland and underscores the need for urgent action. Relying on analysis provided by John B. Horrigan, Ph.D. of the Benton Institute on Broadband & Society. The map uses zip code level data and shows where high-speed internet subscription gaps are greatest – and by how much. Additional layers also reveal gaps in who owns computing devices and who relies on cellular data for internet connection. Analysis of the map indicates that network quality drives digital disconnection in rural areas, while the cost of internet subscriptions drives disconnection in more urban areas. It highlights that digital inequities exist statewide.

With millions in federal dollars coming to Maryland to improve coverage in unserved and underserved areas, Governor Moore’s broadband equipment tax moratorium will allow these federal dollars to go

further and leverage new private sector investment as well. Every community in Maryland will benefit from faster deployment of advanced broadband networks and the economic and social benefits that they bring. Failing to act now will leave whole communities on the sidelines of the economy. As workers, training providers, and businesses scurry to keep essential services flowing, policymakers must return the favor by advancing and investing in the policy that will enable those essential workers to engage with the digital tools needed to thrive in our complex and fast-changing economy.

We respectfully request a favorable report for SB 547.

Submitted by Claudia Wilson Randall, Executive Director, Community Development Network

BaltimoreCounty_FAV_SB0547.pdf

Uploaded by: D'Andrea Walker

Position: FAV



JOHN A. OLSZEWSKI, JR.
County Executive

JENNIFER AIOSA
Director of Government Affairs

AMANDA KONTZ CARR
Legislative Officer

JOSHUA M. GREENBERG
Associate Director of Government Affairs

BILL NO.: SB 547

TITLE: Broadband Expansion Incentive Act of 2023

SPONSOR: The President

COMMITTEE: Budget and Taxation

POSITION: **SUPPORT**

DATE: March 1, 2023

Baltimore County **SUPPORTS** Senate Bill 547 – Broadband Expansion Incentive Act of 2023. This legislation would allow a subtraction modification under the Maryland income tax for qualified broadband grants.

For rural communities and communities that have historically faced underinvestment, the expansion of broadband provides critical tools for access to education, health services and employment opportunities. During the COVID-19 pandemic, Baltimore County moved swiftly to provide free wifi access to students and families across the County, however, many are still left with few fast, inexpensive options to access vital internet resources. In response, Baltimore County has partnered with Comcast on two projects that are anticipated to bring broadband to approximately 1,800 new residences.

Senate Bill 547 will further incentivize and assist partners seeking to expand broadband services by exempting qualified broadband grants from the Maryland income tax, and related equipment from sales and use tax. This ensures that 100% of the funds deployed for broadband expansion will be used towards that purpose.

Accordingly, Baltimore County requests a **FAVORABLE** report on SB 547. For more information, please contact Jenn Aiosa, Director of Government Affairs at jaiosa@baltimorecountymd.gov.

MD SB 547- SUPPORT .pdf

Uploaded by: Darrin Youker

Position: FAV



March 1, 2023

To: Senate Budget and Taxation Committee

From: Horizon Farm Credit

Bill: **SB 547 – Broadband Expansion**

Position: **SUPPORT**

Horizon Farm Credit is a member-owned cooperative supporting rural communities and agriculture with reliable, consistent credit and financial services throughout our five-state lending territory in good times and bad. With over \$6 billion dollars in loans outstanding to nearly 23,000 member-owners representing the full range of agriculture, we are one of the largest agricultural lenders on the East Coast.

The deployment of rural broadband is one of our association's leading public policy concerns for Maryland. The proper deployment of broadband, and in particular in rural areas, will further support economic growth of our communities and will give the agriculture industry the tools necessary to adopt the latest technology.

Like many sectors, technology is revolutionizing agriculture. Most of these technological advances are supported by a strong backbone of broadband infrastructure. Maryland farmers are embracing precision agriculture that allows them to reduce their nutrient applications, or use of pesticides, but those systems require strong internet connectivity. Modern barns can be controlled remotely to allow for increased heating or cooling, depending on the outdoor temperatures, but again those applications require broadband infrastructure. And on the day-to-day tasks of running a business, like monitoring markets, digital banking or social media promotion of their products, farmers need reliable broadband service.

SB 547 will exclude grants awarded for broadband expansion from state taxes. Such a move would allow companies in the business of deploying broadband to further invest more of their capital into the infrastructure needed to connect more Maryland communities to reliable broadband service. We appreciate the administration's efforts to seek creative solutions to incentivize greater investment in broadband.

Horizon Farm Credit SUPPORTS SB 547.

For more information, please contact Darrin Youker at 717-634-0004 or dyouker@horizonfc.com.



SB0547_OCChamber_Thompson_FAV.pdf

Uploaded by: DENNIS RASMUSSEN

Position: FAV



Ocean City, Maryland Chamber of Commerce

410-213-0144 info@oceancity.org
oceancity.org 12320 Ocean Gateway, Ocean City, MD 21842

TESTIMONY OFFERED ON BEHALF OF THE GREATER OCEAN CITY CHAMBER OF COMMERCE

IN SUPPORT OF:

SB0547 – Broadband Expansion Incentive Act of 2023

Before:
Budget and Taxation Committee
Hearing: 3/1/23 at 1:00 PM

The Greater Ocean City Chamber of Commerce, representing more than 750 regional businesses and job creators, **SUPPORTS Senate Bill SB0547 – Broadband Expansion Incentive Act of 2023**. This legislation will increase broadband investment in the state by removing a tax on broadband network machinery and equipment for the next five years. Additionally, it would waive state taxes on the once-in-a-generation federal investments companies can use to deploy broadband across Maryland, maximizing taxpayers' resources and hastening expansion of broadband availability and access especially in under resourced urban areas and hard-to-reach rural areas.

Passage of this legislation would help level the playing field for Marylanders in our region to compete in the digital economy, which is of critical importance to our members and our community to thrive in an evolving marketplace with increasing reliance on reliable, affordable connectivity.

The Ocean City Chamber respectfully requests a **FAVORABLE REPORT for SB0547**. Please feel free to contact the Chamber directly at 410-213-0144 should you have any questions.

Respectfully,

Amy Thompson
Executive Director
amy@oceancity.org

Salvatore Fasano
Legislative Committee Chair
salvatorefasano1980@gmail.com

SB0547_FAV_MTC_Broadband Expansion Incentive Act o

Uploaded by: Drew Vetter

Position: FAV



MARYLAND TECH COUNCIL

TO: The Honorable Guy Guzzone, Chair
Members, Senate Budget and Taxation Committee
The Honorable Moore-Miller Administration

FROM: Andrew G. Vetter
Pamela Metz Kasemeyer
J. Steven Wise
Danna L. Kauffman
Christine K. Krone
410-244-7000

DATE: March 1, 2023

RE: **SUPPORT** – Senate Bill 547 – *Broadband Expansion Incentive Act of 2023*

The Maryland Tech Council (MTC) is pleased to submit this letter of **support** for *Senate Bill 547: Broadband Expansion Incentive Act of 2023*. We are a community of nearly 700 Maryland member companies that span the full range of the technology sector. Our vision is to propel Maryland to become the number one innovation economy for life sciences and technology in the nation. We bring our members together and build Maryland's innovation economy through advocacy, networking, and education.

Bolstering digital infrastructure is one of the top policy priorities of MTC. The Covid-19 pandemic led to a digital revolution as we experienced an explosion in remote workforce management and virtual engagements and experiences across our daily lives. Remote work, telehealth, and education are just some of the examples where high-speed internet is a daily necessity of life. Despite this need, there continues to be a digital divide in Maryland, with underserved populations and locations lacking the access they need to affordable and reliable internet service.

MTC has and will continue to advocate for efforts to address this digital divide and expand the State's digital economy. Senate Bill 547 makes a huge step toward this goal by creating a sales and use tax exemption for broadband infrastructure equipment and an end to the taxation of Federal grants for broadband expansion. The establishment of these incentives will help MTC member companies continue to build out the State's broadband infrastructure and move us closer to our goal of ensuring affordable and reliable internet access for all.

We urge a favorable report.

2023-03-01 SB547 Support.pdf

Uploaded by: Hannibal Kemerer

Position: FAV

ANTHONY G. BROWN
Attorney General



CANDACE McLAREN LANHAM
Chief of Staff

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STATE OF MARYLAND
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March 1, 2023

TO: The Honorable Guy Guzzone
Chair, Budget and Taxation Committee

FROM: Hannibal G. Williams II Kemerer
Chief Counsel, Legislative Affairs, Office of the Attorney General

RE: SB547– Broadband Expansion Incentive Act of 2023 (**Support**)

The Office of the Attorney General urges a favorable report on Senate Bill 547, Governor Moore's Broadband Expansion Incentive Act of 2023. This legislation ensures that Maryland most effectively deploys federal broadband infrastructure dollars to close the digital divide and ensure that all Marylanders have access to affordable, high-speed internet. If enacted, Senate Bill 547 will allow Maryland companies to better deploy federal broadband infrastructure dollars by 1) creating a 5 year moratorium on the collection of the sales and use tax for broadband infrastructure equipment, and 2) ending state taxation of federal broadband grants as income which began this tax year as a result of the 2017 Tax Cuts and Jobs Act.

For the foregoing reasons, the Office of the Attorney General urges a favorable report on Senate Bill 547.

cc: Committee Members

This bill letter is a statement of the Office of Attorney General's policy position on the referenced pending legislation. For a legal or constitutional analysis of the bill, Members of the House and Senate should consult with the Counsel to the General Assembly, Sandy Brantley. She can be reached at 410-946-5600 or sbrantley@oag.state.md.us.

SB547 Testimony 2023.pdf

Uploaded by: Isadora Stern

Position: FAV



**Testimony to the Senate Budget & Taxation Committee
SB547: Broadband Expansion Incentive Act of 2023
Position: Favorable**

March 1, 2023

Honorable Guy Guzzone, Chair
Senate Budget & Taxation Committee
3 West, Miller Senate Office Building
Annapolis, Maryland 21401

cc: Members, Senate Budget & Taxation Committee

Honorable Chair Guzzone and Members of the Committee:

Economic Action Maryland (formerly the Maryland Consumer Rights Coalition) is a statewide coalition of individuals and organizations that advances financial justice and economic inclusion for Maryland consumers through research, education, direct service, and advocacy. Our 8,500 supporters include consumer advocates, practitioners, and low-income and working families throughout Maryland.

We are in strong support of SB547.

Broadband is essential infrastructure. It is necessary for civic and cultural participation, employment, lifelong learning and access to essential services. However, like other vital infrastructure, broadband is not ubiquitous. Hundreds of thousands of households in Maryland are without internet. Expensive subscription plans tend to keep people offline in urban areas, while poor network quality often discourages subscription in rural areas. Both problems are common throughout the state.¹

While digital adoption in rural areas is an issue, the weight of these gaps fall heavily in urban and metro areas and among African American households. There are 206,000 African American households without wireline broadband service connection in Maryland, or nearly 40% of all disconnected households.² This poses a racial equity issue as access to the internet affects a wide range of factors that impact health and life outcomes.³

The COVID-19 pandemic has exposed a number of shortcomings in the nation's social infrastructure, one of which is access to the internet. Those without internet access were excluded when school moved exclusively online and medical appointments relied primarily on telehealth. This underlines the need for digital inclusion – ensuring people can get online from home, with the digital hardware and skills to enable participation in society.⁴

¹ <https://communitydevelopmentmd.org/digital-inclusion>

² https://abell.org/wp-content/uploads/2022/02/2020_Abell_digital20inclusion_full20report_FINAL-web.pdf

³ <https://www.fcc.gov/health/SDOH>

⁴ <https://abell.org/publication/disconnected-in-maryland/>

2209 Maryland Ave · Baltimore, MD · 21218 · 410-220-0494

info@econaction.org · www.econaction.org · Tax

ID 52-2266235



Economic Action Maryland provides a number of direct service programs. Several of these programs are accessible online, however a number of our clients are older adults who do not have the skills to navigate services online. For the past five years, Economic Action Maryland's SOAR (Securing Older Adult Resources) program has led efforts to promote the Homeowners' Tax Credit as well as the Renters' Tax Credit. We extensively market the program, train service providers, VITA staff, and others how to screen for it, and partner with older-adult, legal services, and financial providers to increase the number of applicants each year. In 2022, Economic Action Maryland returned \$88,243.42 in tax credits to financially fragile older adults. Many of our clients would not have been able to access these benefits without direct assistance because the online application poses such a great obstacle.

This is one of many examples that demonstrate the strong relationship between broadband access and economic well being and the people left behind without digital equity. If broadband is essential infrastructure, then regulation and public policy should support every American community having equitable access to broadband and the skills necessary to use it.

For all these reasons we support SB547 and urge a favorable report.

Best,

Isadora Stern
Policy Manager

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ID 52-2266235

Economic Action Maryland is a 501(c)(3) nonprofit organization and your contributions are tax deductible to the extent allowed by law.

SB0547_SupportLetter_3.1.23.pdf

Uploaded by: Juli McCoy

Position: FAV

March 1, 2023

The Honorable Guy Guzzone, Chair
Senate Budget and Taxation Committee
3 West, Miller Senate Office Building
Annapolis, MD 21401

Re: SB547 – Broadband Expansion Incentive Act of 2023

Dear Chairman Guzzone:

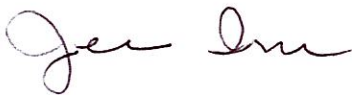
The Allegany County Chamber of Commerce respectfully urges your **support of SB547 – Broadband Expansion Incentive Act of 2023.**

Full deployment of broadband would allow for tremendous strides in closing the gap on digital equity. A moratorium on sales and use tax for broadband infrastructure is vital to Allegany County where we have areas of the community which still lack access.

During the crisis of 2020, which shifted every student in Allegany County to attend school virtually, there were hundreds of households in the far eastern and far western parts of the county who had to drive to school parking lots to learn from their cars by connecting to the school Wi-Fi. Our own Chamber had staff who found times in which they had to drive to an area where Wi-Fi could be accessed from their car to complete certain tasks. As the need for high-speed internet continues to increase for personal, professional, and educational purposes, this is an excellent opportunity to capitalize on the federal dollars focused on addressing this issue.

Thank you for considering a **favorable report for SB547.**

Sincerely,



Jeremy G. Irons
Legislative Committee Chairman



Juli R. McCoy
Executive Director

cc: Honorable Jim Rosapepe, Vice Chair, Budget and Taxation Committee
Senate Budget and Taxation Committee Members
Allegany County Delegation

SB0547(HB0551) - FAV - Broadband Expansion Incenti

Uploaded by: Landon Fahrig

Position: FAV



TO: Members, Senate Budget & Taxation Committee
FROM: Paul Pinsky - Director, MEA
SUBJECT: SB 547 - Broadband Expansion Incentive Act of 2023
DATE: March 1, 2023

MEA Position: FAVORABLE

The Maryland Energy Administration (MEA) strongly encourages the committee to support the continued expansion of broadband access in Maryland, and the incentives for this purpose provided by Senate Bill 547. The committee will be presented with a great deal of testimony relating to the benefits of broadband. However, for the development of a clean-energy grid, broadband is not just beneficial, it is a necessity.

The proliferation of broadband technology has created a paradigm shift in the way information travels. Broadband has made us, as a society, more adaptable. During the course of the national health emergency caused by the spread of Covid-19, Maryland State agencies were able to quickly shift to a teleworking-based operations model. In-person meetings were exchanged for virtual ones, commutes were eliminated as were greenhouse gas emissions, and documents and ideas were exchanged nearly instantaneously, all thanks to broadband technology.

For the energy sector, and especially for the clean energy future Maryland has promised its citizens, broadband is indispensable. In order to coordinate the fluctuating power generated by the many renewable energy generation installations that are replacing traditional fossil fueled power plants, data must be exchanged rapidly. Broadband connections for new clean and renewable generation is the new industry standard, as it allows for utilities and transmission grid operators to more quickly detect fluctuations in energy demand, and just as quickly dispatch or disengage generation as needed to ensure the stability of the electricity grid.

The need for rapid data transfer for grid operators will only be increased as Maryland begins to further integrate distributed energy resources, energy storage assets, virtual power plant models, and emerging technologies like vehicle-to-grid (V2G). For these technologies to be truly integrated, Maryland needs a robust and complete broadband network.

For the forgoing reasons, MEA is asking the committee for an **FAVORABLE** report.

SB 547 – Broadband Expansion Incentive - FAV - REA

Uploaded by: Lisa May

Position: FAV



Senate Bill 547 – Broadband Expansion Incentive Act of 2023

Position: Support

Maryland REALTORS® support SB 547, which exempts qualified broadband grants from Maryland income taxes and exempts the purchase of broadband networking equipment from state sales and use taxes.

High-speed internet is an important and needed service which is now essential to daily life. This was particularly apparent during the coronavirus (COVID-19) pandemic, as many employers transitioned their workers from on-site work to telework and schools transitioned students to distance learning.

Communities prosper when they gain access to high-speed Internet. Recent studies show that access to high-speed internet increases property values anywhere from 3-6%. The absence of broadband makes a community a less attractive location for new investment and prevents residents from locating in rural areas. Furthermore, availability of “new economy” jobs is impossible in a community with little or no broadband access.

Broadband is also a crucial tool for housing Maryland’s residents. Consumers increasingly use online services for at least a part of the buying or selling process. Even before the pandemic, many REALTORS® experienced buyers cancelling a home purchase because the property lacked access to high-speed internet.

In the future, new technologies will be adopted that will only increase reliance on the availability of fast, efficient, and cost-effective access to broadband services. For this reason, Maryland REALTORS® recommend a favorable report on SB 547.

**For more information contact lisa.may@mdrealtor.org or
christa.mcgee@mdrealtor.org**

MD SB 547 _TechNet letter_support_ pdf.pdf

Uploaded by: margaret durkin

Position: FAV



TECHNET
THE VOICE OF THE
INNOVATION ECONOMY

TechNet Mid-Atlantic | Telephone 717.585.8622
www.technet.org | @TechNetMidAtla1

February 28, 2023

The Honorable Guy Guzzone
3 West Miller Senate Office Building
11 Bladen Street, Annapolis, MD 21401

RE: SB 547 - Broadband Expansion Incentive Act of 2023

Dear Chair Guzzone and Members of the Committee,

On behalf of TechNet's member companies, I respectfully submit this letter of support on SB 547, the Broadband Expansion Incentive Act of 2023.

TechNet is the national, bipartisan network of technology CEOs and senior executives that promotes the growth of the innovation economy by advocating a targeted policy agenda at the federal and 50-state level. TechNet's diverse membership includes dynamic American businesses ranging from startups to the most iconic companies on the planet and represents over five million employees and countless customers in the fields of information technology, e-commerce, the sharing and gig economies, advanced energy, cybersecurity, venture capital, and finance. TechNet has offices in Austin, Boston, Chicago, Denver, Harrisburg, Olympia, Sacramento, Silicon Valley, and Washington, D.C.

The internet is a key tool for consumers' access to information and empowerment. Internet access connects consumers with the tools they need to live a more flexible lifestyle, increasing their access to telehealth, remote education, civic engagement, provision of government services, and allowing for workplace flexibility. Embracing policies that close the digital divide and expand access to the internet and technology, provide a safe and secure consumer experience, and promote strong private sector competition and investment is a core value of TechNet. TechNet will support efforts to increase and expand high speed broadband deployment to currently unserved areas and increase adoption by encouraging private investment and making government funding competitively available to all providers for those hard-to-serve areas where private investment on its own is not sufficient.

TechNet supports tax policies that promote innovation and foster an economic climate that enables companies to compete, thrive, invest, and expand in all states. By exempting network equipment from the sales and use tax, broadband deployment will continue to flourish and ultimately benefit all citizens of Maryland.

TechNet appreciates your consideration of this important issue and supports the bill in its current form. If you have any questions, please don't hesitate to reach out.

Sincerely,

Margaret Durkin

Margaret Durkin
Executive Director, Pennsylvania & the Mid-Atlantic
TechNet
mdurkin@technet.org

SB547 - 3.1.23-- Broadband Expansion Incentive Act

Uploaded by: Mark Thomas

Position: FAV



TESTIMONY PRESENTED TO THE SENATE BUDGET AND TAXATION COMMITTEE

SENATE BILL 547 – BROADBAND EXPANSION INCENTIVE ACT OF 2023

Sponsors: The President (By Request - Administration), et al.

March 1, 2023

**Mark Anthony Thomas
PRESIDENT & CEO
GREATER BALTIMORE COMMITTEE**

Position: Support

The Greater Baltimore Committee (GBC) supports Senate Bill 547, which would create a subtraction modification in the Maryland income tax for federal grants allocated for broadband infrastructure and broadband deployment. It would also create a 5-year moratorium on sales and use tax for the sale of network equipment, which includes modems, fiber optic cables, servers, etc. that are used to provide internet service or deploy broadband.

Technology continues to develop at an exponential rate and digital access is an essential part of education, health care, workforce development, and business operations. However, reliable broadband access is still unavailable to many Marylanders who are part of historically underinvested groups. In 2021:

- 18% of all Maryland households did not have a laptop or desktop computer at home.
- 8,900 households in Baltimore City lacked even a smartphone with broadband internet speeds.
- 40% of the Marylanders who lacked wireline broadband services were African American and less than half of Hispanic households had wired broadband access.

The federal government has recognized the importance of consistent, reliable broadband access across the country without geographic or socio-economic disparities. The time to bridge the digital divide is now. Waiving state taxes on this once-in-a-generation opportunity to leverage federal investments in broadband will make broadband access more equitable and affordable. In addition, all of Maryland's neighboring states have removed the sales tax on broadband network purchases. This tax moratorium will allow Maryland to stay competitive and will encourage private sector investment in the state.

Senate Bill 547 aligns with the GBC's 2023 legislative priorities. The GBC supports efforts to bridge the digital divide and expand broadband access and connectivity for education, workforce training, and employment. This legislation is an important step in achieving that goal.

For these reasons, the Greater Baltimore Committee urges a favorable report on Senate Bill 547.

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, Cecil, Harford, and Howard counties as well as Baltimore City. The GBC is a 68-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.

GREATER BALTIMORE COMMITTEE

111 South Calvert Street • Suite 1700 • Baltimore, Maryland • 21202-6180

(410) 727-2820 • www.gbc.org

Support- SB 547 – Broadband Expansion Incentive Ac

Uploaded by: Matthew Teffeu

Position: FAV



**Choptank Electric
Cooperative**
A Touchstone Energy
Cooperative

P.O. BOX 430, Denton, MD 21629
Toll-Free: 1-877-892-0001
Z_info@choptankelectric.coop
www.choptankelectric.coop

March 1, 2023

The Honorable Guy Guzzone
3 West
Miller Senate Office Building
Annapolis, MD 21401

Re: *Support- SB 547 – Broadband Expansion Incentive Act of 2023*

Dear Chairman Guzzone and Members of the Committee:

Founded in 1938, Choptank Electric Cooperative is a not-for-profit organization that exists to provide reliable and cost-effective electricity. This service improves the quality of life for our 55,188 member-owners.

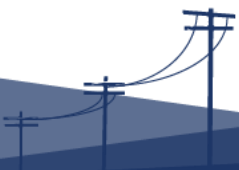
As a cooperative, Choptank Electric maintains a deep commitment to the communities it serves, which covers about two-thirds of Maryland's Eastern Shore. Economic development, especially in our rural areas, is necessary in providing additional resources to our schools and communities, and in improving the livelihood of all residents. Choptank Fiber, LLC is a wholly owned broadband subsidiary of Choptank Electric Cooperative. Choptank Fiber's goal is to install true Gigabit broadband with no data caps one community at a time until we serve all our underserved members on the Eastern Shore.

SB 547, *The Broadband Expansion Incentive Act of 2023*, seeks to bring economic vitality and utilize federal grant dollars to bridge the digital divide in Maryland. Cooperatives throughout the country, including Choptank, are committed to guaranteeing access to quality high-speed internet services. **SB 547** will ensure that broadband deployment reaches every corner of our state in a pertinent manner.

Choptank Electric Cooperative and its member-owners ask you to support **SB 547**.

Sincerely,

Matt Teffeau
Manager of Government Affairs and Economic Development
Choptank Electric Cooperative



Members First. Every Day.

SB547_GCCC_fav (2023).pdf

Uploaded by: Mike O'Halloran

Position: FAV



TO: Senate Budget and Taxation Committee
FROM: Garrett County Chamber of Commerce
DATE: March 1, 2023
RE: **SUPPORT SENATE BILL 547** – Broadband Expansion Incentive Act of 2023

The Garrett County Chamber of Commerce is the largest professional business association in Garrett County with nearly 500 members representing every industry in the region. The Chamber was formed to organize, support, and represent Garrett County's business community in advancing common interests and promote our county's hospitality and recreation industries by attracting visitors through comprehensive marketing.

As introduced, Senate Bill 547 creates a five-year moratorium on the sales and use tax for broadband infrastructure equipment. It also ends state taxation of federal broadband grants, maximizing taxpayer investment in these critical infrastructure projects.

SB 547 will bridge the digital divide and ensure that Maryland businesses and communities are positioned to take advantage of this necessary technology. Maryland employers, schools, community service organizations, and others must increasingly rely on digital access for everyday functions. As such, it is critical now more than ever that Maryland extend broadband access to everyone.

This legislation will put Maryland at the forefront of economic competitiveness, spur business activity across the state and provide jobs and stability. The Garrett County Chamber of Commerce values expanding broadband access and therefore respectfully requests a **favorable report** on **SB 547**.



MD Catholic Conference_FAV_SB0547.pdf

Uploaded by: MJ Kraska

Position: FAV



MARYLAND
CATHOLIC
CONFERENCE

March 1st, 2023

SB 547

Broadband Expansion Incentive Act of 2023

Senate Budget & Taxation Committee

Position: Favorable

The Catholic Conference is the public policy representative of the three (arch)dioceses serving Maryland, which together encompass over one million Marylanders. Statewide, their parishes, schools, hospitals, and numerous charities combine to form our state's second largest social service provider network, behind only our state government.

Senate Bill 547 would allow a subtraction modification under the Maryland income tax for certain qualified broadband grants awarded during the taxable year for broadband deployment and it would provide an exemption from the sales and use tax for the sale of certain equipment related to providing Internet service and deploying broadband.

Particularly in Maryland's lower-income communities, digital inequity is a problem in need of a solution. Senate Bill 547, through its focus on the expansion of affordable internet access, would provide significant means toward those ends. Access affordability is one of the primary catalysts in the digital divide.

Access to internet service and technology are key components to a high-quality education today. It is through access to a high-quality education that the cycle of poverty is broken in our low-income, marginalized communities. Our state should do all that it can to promote successful educational outcomes for children who might otherwise be deprived of the same opportunities as their wealthier counterparts. Pope Francis has stated that the Church should highly value education, leading to gainful employment, as it is through the same that "human beings express and enhance the dignity of their lives." (*Evangelii Gaudium*, 192).

The Conference appreciates your consideration and respectfully urges a **favorable** report for Senate Bill 547.

SB547_FAV_MRA.pdf

Uploaded by: Sarah Price

Position: FAV



SB547 Broadband Expansion Incentive Act of 2023
Senate Budget and Taxation Committee
March 1, 2023

Position: Favorable

Background: SB547 would establish a State income tax subtraction modification for certain broadband grants and would exempt internet service equipment from the State sales and use tax.

Comments: The Maryland Retailers Association (MRA) strongly supports SB547, which would offset the costs of upgrading internet service by establishing a State income tax subtraction modification for qualified broadband grants and exempting internet service equipment from the State sales and use tax.

Access to affordable and dependable high-speed broadband services is no longer a luxury. As we have learned since the onset of the COVID-19 pandemic, dependable internet access is a necessity. When the nation shut down to promote social distancing and public health in 2020, we all pivoted to run our businesses, educate our children, connect with family and friends, and purchase goods and services online. We lived our lives almost entirely virtually, and many households and businesses suffered due to lack of adequate broadband infrastructure in their communities and the cost of upgrading to higher quality internet services.

It is clear that many aspects of our online lives will remain part of the “new normal”. Schools revert to online learning days during inclement weather, small businesses continue to build out websites to reach their customers at home, and even the legislature has chosen to accept virtual testimony after returning to in-person functions. These shifts benefit the public by providing greater access to education, conveniently purchased goods and services, and transparency with local governments, but only if everyone has access to the internet. For businesses, functioning in the modern digital age means not only hosting an online shop or connecting with customers online to provide professional services but also using the internet to hire new employees, provide training and communications, and even maintain internal systems like accounting and benefits management.

The Broadband Expansion Incentive Act will ease the financial burden of expanding high speed internet services throughout our state. It is imperative that we make this transition as affordable as possible so that all Marylanders have the access that they need to thrive in today’s world. For these reasons, we would urge a favorable vote on SB547. Thank you for your consideration.

SB 547 Broadband Expansion Incentive Act of 2023.p

Uploaded by: Tammy Bresnahan

Position: FAV



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facebook.com/aarpm

SB 547 Broadband Expansion Incentive Act of 2023
Senate Budget and Taxation Committee
FAVORABLE
March 1, 2023

Good afternoon Chair Guzzone and members of the Senate Budget and Taxation Committee. My name is Tammy Bresnahan. I am the Senior Director of Advocacy for AARP MD. AARP is the largest nonprofit, nonpartisan organization representing the interests of Americans age 50 and older and their families. Key priorities of our organization include helping all Marylanders achieve financial and health security. AARP MD and its almost 870,000 members support **SB 547 Broadband Expansion Incentive Act 2023**. AARP is working hard to strengthen retirement security for all Americans by ensuring that workers and retirees have access to services and resources they need to age in place.

SB 547 allows a subtraction modification under the Maryland income tax for broadband grants awarded during the taxable year for broadband deployment and provides an exemption from the sales and use tax for the sale of equipment related to providing Internet service and deploying broadband.

Everyone should have affordable and reliable high-speed internet access in the home, regardless of such factors as geography, race, ethnicity, income, age, and ability level. This includes people living in underserved communities where high-speed internet is not deployed, as well as those who cannot afford service where it is available. AARP believes that policymakers should consider using grants, loans, tax credits, and other incentives to ensure that as many people as possible receive the benefits of high-speed internet. These policies should incorporate consumer protections and should not shift costs or place an unfair burden on taxpayers or ratepayers.

AARP Maryland looks forward to working with all of you in enacting and implementing policies addressed in SB 547 - that preserve and support this economic engine. Addressing the digital divide requires a commitment to digital equity. That is, everyone—regardless of factors such as age, race, ethnicity, ability level, and geography—should have access to affordable, reliable high-speed internet service.

AARP Maryland respectfully requests a favorable report for SB 547. Thank you! For questions or additional information, please feel free to contact Tammy Bresnahan, Senior Director of Advocacy at tbresnahan@aarp.org or by calling 410-302-8451.



SB547.Broadband.23.pdf

Uploaded by: Virginia Crespo

Position: FAV



Maryland Retired School Personnel Association

8379 Piney Orchard Parkway, Suite A • Odenton, Maryland 21113
Phone: 410.551.1517 • Email: mrspa@mrspa.org
www.mrspa.org

Senate Bill 0547
In Support Of
Broadband Expansion Incentive Act of 2023
Budget and Taxation Committee
Hearing: March 1, 2023, 1:00 PM

Dear Honorable Senator Guy Guzzone, Chair, and Honorable Senator Jim Rosapepe, Vice Chair, and distinguished Budget and Taxation Committee members,

**The Maryland Retired School Personnel Association (MRSPA) Supports SB 0547
Broadband Expansion Incentive Act of 2023.**

It is the position of MRSPA that expanding broadband services is critical, especially where such access is currently not available. This Bill is important for several reasons. One, with Maryland school systems continuing to utilize virtual learning options to support student progress, all students need to be able to access these sources/resources. Second, expanding access allows medical practitioners to continue conducting virtual appointments when necessary for those unable to travel to meet with his/her physician. Third, the Bill would allow economic expansion for businesses looking to integrate areas needing their services. These are only three important reasons for this Bill to pass, but in a state as wealthy as Maryland, there is no reason why some Marylanders still cannot access this important service.

It is vitally important to all vulnerable Marylanders, young and old, to have access to high-speed internet regardless of where they live and of their ability to pay. In 2023, internet access is not a luxury, it is a necessity.

On behalf of the over 12,000 members of The Maryland Retired School Personnel Association, we urge a favorable report on SB 0547.

Sincerely,

Carla J. Duls
President

Virginia G. Crespo
Legislative Aide

Senate Bill 547 Quantum Letter 20230228.pdf

Uploaded by: Kevin Brown

Position: FWA

To: The Budget and Taxation Committee

Regarding: Senate Bill 547 - The Broadband Expansion Incentive Act

Submitted By: Quantum Internet and Telephone
Kevin W. Brown, CEO

Quantum Internet and Telephone is a local Maryland small business that has been providing service to Carroll County and the Baltimore area since 1995. For many years we have wanted to be able to provide service to rural areas, but the costs to do so were extremely high, and the very low return on investment was too challenging to overcome.

We were recently awarded significant grants by the State and Carroll County to help fix the rural digital divide in Carroll County. Current tax law requires that these grants be recognized as income and therefore subject to income tax, even though these funds will be immediately expended to build rural broadband Internet. Paying these taxes will be a great hardship for us, as it will take many years to earn enough money from the subscribers to the network we are building to pay these taxes. These taxes will cause us to use funds that could otherwise be used to build more rural broadband. We may also need to go deep into debt to pay these taxes, or possibly even sell part (or all) of our company. We shouldn't have to take such extraordinary measures to utilize these grants.

Quantum fully supports Senate Bill 547, and it will do a lot to help small businesses like Quantum to be able to use grants to provide services to rural areas. There is one problem that should be addressed, and a couple of additions that could improve the Bill. First and foremost, the Bill defines a "Qualified Broadband Grant" as a Federal grant, and while the grants in question are sourced from Federal grant funds, they are awarded to broadband providers as State, County, or local grants. The text of the bill could be interpreted as referring only to grants awarded directly to broadband providers from the Federal government, which we don't think is the intention. Additionally, both the State and some County governments have awarded grants out of their own funds. Changing the definition to include State, County, and local grants will clean up these potential issues.

Quantum Internet Services, Inc. Quantum Telecommunications, Inc.

2975-B Manchester Road, Manchester, MD 21102

P: 410.239.6920 F: 410.239.0820 www.qis.net

Relief from sales tax on network equipment is a great idea, but if the intention is to help stretch grant funds to build as much broadband as possible, there are some additional big-ticket items that should be considered. Conduit, handholes, fiber splice enclosures, and distribution cabinets are just some examples of materials used in broadband deployments and probably represent a larger portion of the build cost than the equipment defined in the Bill. Our suggestion would be to empower the Office of Statewide Broadband to maintain a comprehensive list of items that would qualify for the sales tax exemption.

Finally, there should be some consideration given to property taxes. Building broadband to unserved areas is extremely costly, which is why they are unserved. The assets in these areas can cost 4-5x (or more) what it would cost to build in a more densely populated suburban area. Because of the much higher asset value, much higher property tax will have to be paid, which ultimately gets passed down to the subscriber in the form of higher prices for service. Our suggestion would be to exclude any assets built or purchased with grant funds to be excluded from property tax assessments.

I would like to personally thank Governor Moore and all of the Senators who are sponsoring this Bill. I would also like to thank this committee for its consideration of this Bill and allowing me to speak today.

Thank you for what you do for Maryland,



Kevin W. Brown, CEO
Quantum Telecommunications, Inc.
d/b/a Quantum Internet and Telephone
kevin@qis.net

230228-SB547-brdbnd-expnsion.pdf

Uploaded by: Christine Hunt

Position: UNF

Christine Hunt and Jay Crouthers
1014 Dockser Drive
Crownsville, MD 21032

February 28, 2023

Maryland General Assembly
Members of the Budget and Taxation Committee
Annapolis, MD

RE: SB 547 – Broadband Expansion Incentive Act of 2023

Dear Senators,

We oppose SB 547 and respectfully request that you vote against it.

We see this as a way for those who are insisting on promoting 5G networks worldwide to make upgrades and new installations of these networks tax free, thereby creating incentives to install them.

For many years, scientists around the world have been arguing against 5G upgrades, citing the toxic, long-term EMF exposure and how it relates to increases in cancer, Alzheimer's disease, male infertility, and general cellular distress. This article explains more about these and more: <https://ehtrust.org/wp-content/uploads/Scientist-5G-appeal-2017.pdf>

5G Wi-Fi is also used in "smart devices" such as home alarm systems, appliances, self-driving cars/busses and more.

The WEF is now calling for chip implants in human brains which will broadcast information to who knows where and for what purposes? More surveillance and population control under the guise of "curing" certain ailments. This article explains Klaus Schwab's plan: <https://newspunch.com/wef-to-force-public-to-wear-brain-implants-so-the-elite-can-read-their-minds/>

We see this bill as a way to get businesses to cooperate with the WEF's global effort to monitor and control people.

Please vote against this bill.

Sincerely,

Christine Hunt and Jay Crouthers

SB0547-BT_MACo_OPP.pdf

Uploaded by: Kevin Kinnally

Position: UNF



Senate Bill 547

Broadband Expansion Incentive Act of 2023

MACo Position: **OPPOSE**

To: Budget and Taxation Committee

Date: March 1, 2023

From: Kevin Kinnally

Tax Incentives and Local Government Autonomy

Counties are eager and committed partners in promoting economic growth and creating opportunity – and prefer local autonomy in determining the best way locally. The Maryland Association of Counties (MACo) opposes state-mandated reductions in local revenue sources, but county governments welcome flexible and optional tools to serve and react to local needs and community priorities.

The General Assembly routinely considers broad or targeted tax incentives to stimulate economic growth, encourage beneficial activities, or attract and retain residents. These proposals sometimes focus exclusively on the State's tax structure, but often extend to local revenues as well.

In general, MACo stands for local self-determination. Counties, led by locally elected leaders directly accountable within the communities they serve, are best positioned to govern local affairs – ranging from land use to fiscal matters. MACo steadfastly guards this local autonomy and consistently advocates against one-size-fits-all policies that override local decision-making.

State tax incentives should be enacted as "local option" offerings to allow counties maximum flexibility in tailoring local policies to meet local needs and priorities. The State and its local governments already work together here – where the State routinely grants a state-level property tax credit, enabling county governments to enact their own as a local option.

MACo urges the Committee to primarily consider state income tax credits as the best means to incorporate local tax relief as part of a broader policy. MACo and county governments stand ready to work with state policymakers to craft flexible and optional tools to deliver broad or targeted tax incentives but resist state-mandated changes that preclude local input.