

MARYLAND FAIR FUNDING COALITION

Testimony in SUPPORT of HB 1007 – Fair Share for Maryland Act of 2024

Del. Vanessa Atterbeary, Chair
House Ways & Means Committee
February 22, 2024

The Maryland Fair Funding Coalition strongly supports HB 1007, the Fair Share for Maryland Act, because it will provide resources that our communities need to thrive and ensure that wealthy corporations and individuals are contributing their fair share to the public services we all benefit from.

In the five years our coalition has been advocating for proposals to close corporate loopholes and ensure the wealthiest Marylanders pay their fair share, our state has left hundreds of millions of dollars in revenue on the table each year that could be supporting schools, transit service, climate response, health care, housing, child care and other critical needs. Instead, the legislature is currently considering proposed cuts to community colleges, weighing waiting lists for much-needed child care scholarships, and facing multi-billion-dollar deficit projections in future years that threaten the Blueprint for Maryland's Future and transportation funding needs.

The choice is clear: Maryland must act now to raise revenue and avoid even more severe budget cuts in future years that will harm working families and undermine our state's economy.

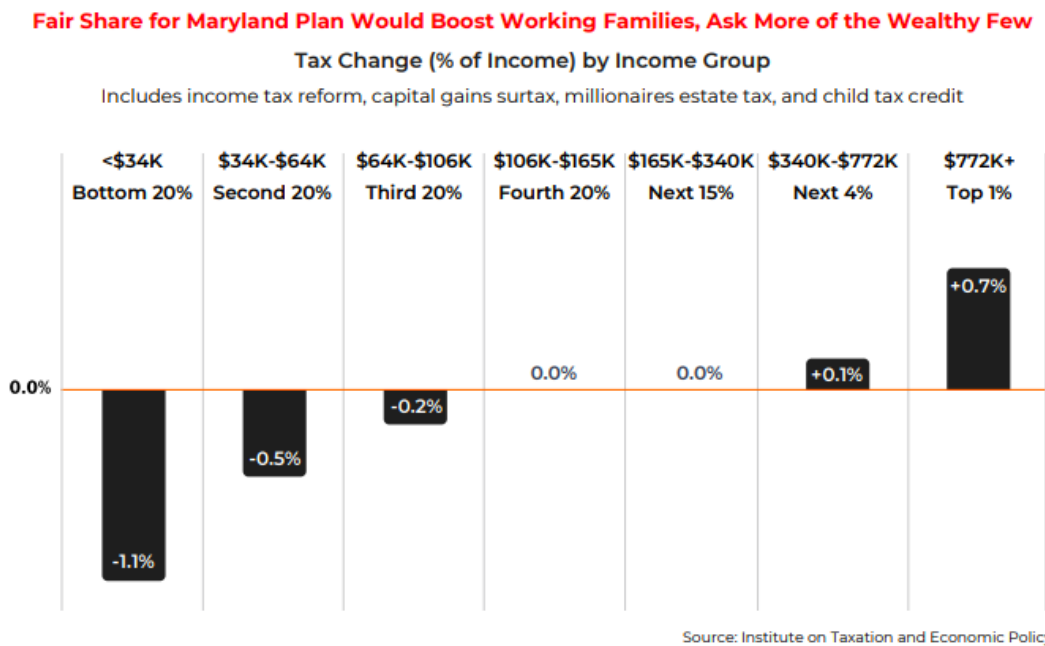
The Fair Share for Maryland Act will:

- Raise an estimated \$1.6 billion per year in new revenue when fully phased in
- Lower taxes for more than 1.3 million Marylanders by expanding the Child Tax Credit and Earned Income Tax Credit
- Close corporate tax loopholes to ensure wealthy multinational corporations can't avoid paying state taxes
- Balance our upside-down tax system and ensure millionaires pay their fair share by adding upper income tax brackets and adding a surtax on capital gains income

While the fiscal note reflects a much smaller total revenue estimate, it leaves out estimates for several major portions of the bill. The \$1.6 billion estimate is based on past fiscal notes for similar proposals as

well as modeling from the Institute for Taxation and Economic Policy, which has a well-developed tax model that is able to simulate the impact of changes to Maryland’s tax code. Our coalition members are happy to discuss estimates in more detail with members of the committee.

These policies will not only raise much-needed revenue, they also address aspects of our current tax system that are fundamentally unfair. Today, 1/3 of the 150 largest corporations doing business in Maryland pay zero income taxes in a typical year while the small local businesses they compete with are supporting their communities through taxes. And, the wealthiest 1% of Marylanders, those earning more than \$700,000 per year, pay a smaller share of their income in state and local taxes than every other income group.



Marylanders recognize that our tax system is unfair and want to change it. Public opinion polling has consistently shown strong support among Marylanders for closing corporate tax loopholes and increasing taxes on millionaires, and the most recent polling on these topics is no exception. An [October Hart Research poll](#) found that 79% of Marylanders support proposals to close corporate tax loopholes and 77% favor increasing income taxes on millionaires, among other findings.

The Maryland Fair Funding Coalition represents more than 30 organizations across a broad range of sectors, representing thousands of members throughout the state who are committed to a fair tax system that provides the resources that Marylanders need to thrive. We believe the Fair Share for Maryland Act is vital for the future of our families, our communities, and our economy.

Therefore, we urge a favorable report on HB 1007.