

HOUSE BILL 436

Q7
HB 873/19 – W&M

0lr2185

By: **Delegates Buckel, Hornberger, Rose, and Shoemaker**

Introduced and read first time: January 23, 2020

Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Task Force on Tax Policy, Reform, and Fairness**

3 FOR the purpose of establishing the Task Force on Tax Policy, Reform, and Fairness;
4 specifying the membership of the Task Force; providing for the appointment of a
5 Senate cochair and House cochair of the Task Force; providing for the staffing of the
6 Task Force; prohibiting a member of the Task Force from receiving certain
7 compensation, but authorizing the reimbursement of certain expenses; requiring the
8 Task Force to study, consider, and make recommendations regarding certain
9 matters; requiring the Task Force to report its findings and recommendations to the
10 Governor and the General Assembly on or before a certain date; providing for the
11 termination of this Act; and generally relating to the Task Force on Tax Policy,
12 Reform, and Fairness.

13 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
14 That:

15 (a) There is a Task Force on Tax Policy, Reform, and Fairness.

16 (b) The Task Force consists of the following members:

17 (1) three members of the Senate of Maryland, appointed by the President
18 of the Senate;

19 (2) three members of the House of Delegates, appointed by the Speaker of
20 the House;

21 (3) the Comptroller, or the Comptroller's designee;

22 (4) the Secretary of Budget and Management, or the Secretary's designee;

23 (5) a representative of the Maryland Association of Counties;

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (6) a representative of the Maryland Chamber of Commerce;

2 (7) a representative of the Maryland Municipal League;

3 (8) a representative of the State Department of Assessments and Taxation,
4 designated by the Director of Assessments and Taxation;

5 (9) one economist, appointed by the Governor;

6 (10) one member of the faculty of the University of Maryland School of
7 Public Policy, appointed by the Governor;

8 (11) one member of the faculty of the University of Maryland Robert H.
9 Smith School of Business, appointed by the Governor; and

10 (12) two members of the public, each of whom shall be an attorney at law or
11 an accountant knowledgeable about the State's tax structure, appointed by the Governor.

12 (c) (1) The President of the Senate shall designate one of the members
13 appointed from the Senate as cochair of the Task Force.

14 (2) The Speaker of the House shall designate one of the members appointed
15 from the House of Delegates as cochair of the Task Force.

16 (d) The Office of the Comptroller and the Department of Budget and Management
17 shall provide staff for the Task Force.

18 (e) A member of the Task Force:

19 (1) may not receive compensation as a member of the Task Force; but

20 (2) is entitled to reimbursement for expenses under the Standard State
21 Travel Regulations, as provided in the State budget.

22 (f) The Task Force shall:

23 (1) study the current revenue structure of the State, including income,
24 sales, corporate, motor fuel, excise, and property taxes, tax exemptions and credits, and
25 fees;

26 (2) review the academic and economic research on state and local tax policy
27 to assist in the overall assessment of efficacy, fairness, and competitiveness of the current
28 revenue structure of the State;

29 (3) review the revenue structure of neighboring jurisdictions for the
30 purpose of evaluating the regional competitiveness of the State's tax structure;

1 (4) consider the nature of the State's economy and the importance of service
2 and professional businesses to economic development;

3 (5) consider whether or not the current revenue structure of the State
4 should be reformed, modified, and modernized, including by considering:

5 (i) reforms that would mitigate any adverse effects on State
6 taxpayers that are the result of the federal Tax Cut and Jobs Act;

7 (ii) the imposition of a payroll tax, carried interest tax, or remote
8 sales tax in order to offset reductions to the State's income tax and State and local property
9 taxes; and

10 (iii) the encouragement of charitable contributions by taxpayers to
11 State institutions; and

12 (6) make recommendations regarding changes to the State's revenue
13 structure that:

14 (i) promote job growth and economic development;

15 (ii) ensure fairness, simplicity, and transparency;

16 (iii) provide a stable, balanced, and reliable revenue stream, while
17 not reducing services; and

18 (iv) create a business-friendly environment.

19 (g) On or before December 1, 2021, the Task Force shall report its findings and
20 recommendations to the Governor and, in accordance with § 2-1257 of the State
21 Government Article, the General Assembly.

22 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
23 1, 2020. It shall remain effective for a period of 2 years and, at the end of June 30, 2022,
24 this Act, with no further action required by the General Assembly, shall be abrogated and
25 of no further force and effect.