

**Testimony in Support of Senate Bill 216
Income Tax – Carried Interest – Additional Tax**

**Senate Budget and Taxation Committee
January 29, 2020
1:00 PM**

**Samantha Zwerling
Government Relations**

The Maryland State Education Association supports Senate Bill 216 proposing to impose a 17% income surtax on the distributive or pro-rata share of a pass-through entity's taxable income that is attributable to investment management services provided in Maryland that will benefit the General Fund in ways that can be used to implement the new school funding formula our students and schools need.

MSEA represents 75,000 educators and school employees who work in Maryland's public schools, teaching and preparing our 896,837 students for the careers and jobs of the future. MSEA also represents 39 local affiliates in every county across the state of Maryland, and our parent affiliate is the 3 million-member National Education Association (NEA).

MSEA supports passage of an adequate, sustainable, predictable revenue stream that will adequately fund both the operating and construction costs of our public schools. A great public school for every child means our students have updated technology, small manageable classes, safe and modern schools, proper healthcare and nutrition, and have highly qualified and highly effective educators. The work of the Commission on Innovation and Excellence in Education (Kirwan Commission) further recommends improvements to access to Pre-K and Career Technology Education, as well as expansion of the educator workforce and increased salaries to help deliver individualized instruction and recruit and retain the best workforce in the country.

The Kirwan Commission has determined that Maryland will need to invest substantially more resources into education for our citizens become truly successful in the very competitive national and global economies. This is the time to be locating and allocating more resources to education, and Senate Bill 216 is part of that funding solution. Our kids can't wait.

MSEA urges a favorable report of Senate Bill 216.