



TO: The Honorable Guy Guzzone, Chair
Members, Senate Budget and Taxation Committee
The Honorable Brian J. Feldman

FROM: Richard A. Tabuteau
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DATE: January 29, 2020

RE: **SUPPORT WITH AMENDMENT** – Senate Bill 223 – *Commission on Tax Policy, Reform, and Fairness*

The Maryland Tech Council (MTC) is a collaborative community, actively engaged in building stronger life science and technology companies by supporting the efforts of our individual members who are saving and improving lives through innovation. We support our member companies who are driving innovation through advocacy, education, workforce development, cost savings programs, and connecting entrepreneurial minds. The valuable resources we provide to our members help them reach their full potential making Maryland a global leader in the life sciences and technology industries. On behalf of MTC, we submit this letter of **support with amendment** for Senate Bill 223.

Senate Bill 223 establishes the Commission on Tax Policy, Reform, and Fairness. The Commission must: 1) study the current revenue structure of the State, including income, sales, corporate, motor fuel, excise, and property taxes; tax exemptions and credits; and fees; 2) review the academic and economic research on state and local tax policy to assist in the overall assessment of efficacy, fairness, and competitiveness of the current revenue structure of the State; 3) review the revenue structure of neighboring jurisdictions for the purpose of evaluating the regional competitiveness of the State's tax structure; 4) consider the nature of the State's economy and the importance of service and professional businesses to economic development; 5) consider whether the current revenue structure of the State should be reformed, modified, and modernized; and 6) make recommendations regarding changes to the State's revenue structure that (i) promote job growth and economic development; (ii) ensure fairness, simplicity, and transparency; (iii) provide a stable, balanced, and reliable revenue stream, while not reducing services; and (iv) create a business-friendly environment.

Appropriately, the listed members to the Commission include the Maryland Chamber of Commerce, the Montgomery County Chamber of Commerce, and the Greater Baltimore Committee. Surprisingly, with over 450 life science and technology member companies developing innovative solutions that save, protect, and improve lives, the Maryland Tech Council

was excluded from membership on the Commission. To provide perspective on these industries, Maryland ranks 4th in the nation's top 10 biopharma clusters in 2019. The State is home to over 500 biotech companies and 2,700 life science firms. Maryland ranks first in NIH research and development contract awards, first in federal obligations for research and development on a per capita basis, and first in concentration of employed doctoral scientists.

Moreover, as home to the nation's top security agencies such as the U.S. Cyber Command, NSA, DISA and NIST, Maryland is the U.S. headquarters for cybersecurity. Maryland has over 35 incubators and research parks and a talent pool of over 116,000 IT professionals.

As the primary association specifically representing the life sciences and technology industries, the Maryland Tech Council deserves to be a statutory member of the Commission on Tax Policy, Reform, and Fairness. As such, the Maryland Tech Council urges the Senate Budget and Taxation Committee to give Senate Bill 223 a favorable report with amendments to include the Council as a member of the Commission.

For more information call:

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