

MCCC_FAV_SB 359

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To Lead, Advocate and Connect as the Voice of Business

Senate Bill 359 - Corporations and Associations – Disadvantaged Business Enterprises and Veteran-Owned Small Business Enterprises – Filing Fee Exemption and Study

Budget and Taxation Committee

February 5, 2020

SUPPORT

Senate Bill 359 would waive the annual filing fee for small businesses that are certified under the federal Disadvantaged Business Enterprise Program and veteran-owned small businesses. The bill also has important uncodified language charging the State Department of Assessments and Taxation with reviewing the filing fees of neighboring states and to make recommendations as to how to make this annual fee more competitive. This could include less frequent filings, a decrease in the fee, or the establishment of a sliding fee scale.

A flat annual filing fee of \$300 is required regardless of the size of the company, number of employees, or revenue. As such, there are concerns that the current system is not equitable, particularly to small businesses in the State, and has led to delays in transmitting assessment information to local jurisdictions. As the State Department reviews this fee, there should be consideration as to whether the fees charged offset the actual cost of the annual assessment, how surrounding states assess businesses, and whether an annual fee or a different assessment structure would be more effective, including whether a sliding scale or a fee based on the size of a business or its net revenue would be fairer to businesses, regardless of their size, while maintaining the state's current revenue.

Small businesses are the backbone of Maryland's economy. By exempting those new small businesses that qualify as a disadvantaged business and/or a veteran-owned small business from this fee, Maryland would signal support for our diverse entrepreneurial community.

For the aforementioned reasons, **the Chamber strongly supports Senate Bill 359 and respectfully urges a favorable report.**

The Montgomery County Chamber of Commerce (MCCC) accelerates the success of our nearly 500 members by advocating for increased 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 is proud to be a Montgomery County Green Certified Business.

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THE AMERICAN LEGION
Department of Maryland
Legislative Commission

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**STATEMENT IN SUPPORT OF SB 359
CORPORATIONS and ASSOCIATIONS –
DISADVANTAGED BUSINESS ENTERPRISES AND
VETERAN-OWNED SMALL BUSINESS ENTERPRISES –
FILING FEE EXEMPTION AND STUDY**

Chairman Guzzone, Vice Chairman Rosapepe and distinguished members of the Senate Budget and Taxation Committee,

The American Legion Department of Maryland strongly supports the principles of entrepreneurship in general and especially for those who have honorably served our nation in the armed forces.

While the amount of filing fees may be considered nominal, for those engaged in initiating a start-up business and are having difficulties in accruing investment capital, Senate Bill 359 will be a major dividend to their financial livelihood.

The American Legion believes SB 359 will contribute to the state's economy through business growth and development and contribute to the Maryland image as a "veteran friendly" community and respectfully request a favorable report by the Budget and Taxation Committee. Thank you, and

Yours, respectfully

Patrick Guibao

Patrick J. Guibao
Chairman
THE AMERICAN LEGION
Department of Maryland
Legislative Commission

BrianTSmith_FAV_SB359

Uploaded by: Smith, Brian

Position: FAV



MARYLAND MILITARY COALITION

SENATE BILL 359 – SUPPORT

**Senate Bill 359 – Disadvantaged Business Enterprises and Veteran-Owned
Small Business Enterprises – Filing Fee Exemption and Study
Budget and Taxation Committee
February 5, 2020**

The Maryland Military Coalition is a **nonprofit, all volunteer, Veterans advocacy group** representing the interests of Maryland Veterans, Service members, and their Families. Our alliance consists of sixteen organizations, listed on the following page, with over 100,000 members. We represent about one-fourth of Maryland's Veterans, Service members, and their Families.

The Maryland Military Coalition strongly supports Senate Bill 359.

This legislation requires the State Department of Taxation to waive document filing fees for Veteran-owned small business enterprises for a three-year period. This change, eliminating a \$300 annual filing fee, can have a significant impact on promoting Veteran entrepreneurship.

Veterans have long been an entrepreneurial force in the U.S. But these days, the number of veteran-owned businesses is declining. Only 4.5 percent of post-9/11 military veterans have gone on to open a business, compared to almost 50 percent of WWII veterans and 40 percent of Korean War veterans.

This sharp decline in veteran business ownership isn't for a lack of drive: 26 percent of veterans say they're interested in starting a business of their own. However, veterans face significant obstacles in their quest to start a business, from knowledge gaps to financing challenges.

Veterans can also use their military skills to become government contractors. However, veteran-owned businesses must go through a lengthy process before winning government contracts. You must prove to the VA that you're a legitimate business by submitting the necessary paperwork, answering any follow-up questions, and then waiting for approval. This can cause the costs of doing business to swell, while navigating the approval process needed to "get to the money" necessary to stay viable.

We need to reduce the financial burdens on existing veteran-owned small businesses, as well as promote more start-ups, by creating financial incentives such as provided by **Senate Bill 359**.

The Maryland Military Coalition believes we must honor the countless sacrifices of our Veterans by actively promoting and enhancing their ability to participate in and own the small businesses that are the bedrock of Maryland's economy!

We respectfully request a favorable report for Senate Bill 359.

For questions or additional information, please feel free to contact
BTSmith1184@outlook.com or by calling 703.623.3678

Member Organizations, Maryland Military Coalition

James P. Monahan
Air Force Sergeants Association

Stacy P. May
American Military Society

Lynn A. Nash
Commissioned Officers Association of the
US Public Health Service

Wilbert B. Forbes
Disabled American Veterans

Sheldon Goldberg
Distinguished Flying Cross Association

Pleasala J. Collins
Fleet Reserve Association

Evan A. Buttrick
Jewish War Veterans of the USA

Steve L. Bloodgood
Maryland Air National Guard Retirees'
Association

Harvey Kaplan
Military Officers Association of America

Charles Egbert
Military Order of the Purple Heart

Mervyn Rice
National Association for Black Veterans

Michael P. Hays
Naval Enlisted Reserve Association

Christian Andreasen
NOAA Association of Commissioned Officers

Catherine L. McGraw
Society of Military Widows

Arthur L. Cooper
The Retired Enlisted Association

Thomas C. Williams
Veterans of Foreign Wars

ABC_UNF_SB359

Uploaded by: Zinsmeister, Robert

Position: UNF



The Voice of Merit Construction

February 5, 2020

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TO: BUDGET AND TAXATION COMMITTEE
FROM: ASSOCIATED BUILDERS AND CONTRACTORS
RE: S.B. 359- CORPORATIONS AND ASSOCIATIONS-
DISADVANTAGED BUSINESS ENTERPRISES
AND VETERAN OWNED SMALL BUSINESSES-
FILING FEE EXEMPTION AND STUDY
POSITION: SUPPORT

Associated Builders and Contractors (ABC) supports S.B. 359 which is before you today for consideration. The bill requires the State Department of Assessments and Taxation to waive the annual corporate filing fee for the first three years that a business entity is certified under the two classifications referenced in the bill title. This should have a positive impact on these companies.

The bill also requires the Department to review the filing fees and Associated requirements of neighboring states that are similar to the filing fees being addressed in this bill. This information will be helpful in evaluating the full impact of S.B. 359.

On behalf of the over 1,500 business members of ABC, we respectfully request a favorable report on S.B. 359.

Thank you.

Robert Zinsmeister, Director
Government Affairs

