

MARYLAND FAIR FUNDING COALITION

Testimony in SUPPORT of HB 223

Del. Anne Kaiser, Chair

House Ways & Means Committee

The Maryland Fair Funding Coalition (MFFC) is a statewide coalition of 25 organizations dedicated to supporting policy proposals that modernize our state tax code and raise revenue to fund our public school system.

We strongly believe that the state can fund the necessary investments detailed in the Blueprint for Maryland's Future by eliminating corporate loopholes and tax breaks that benefit special interest and fixing our upside-down tax code, which allows the wealthiest individuals to pay the smallest share of their income in state and local taxes.

Currently, Maryland offers a number of tax credits that simply **do not** provide the promised economic boosts. Meanwhile, these giveaways prevent the state from making more meaningful investments, such as in education and other essential services. Additionally, surveys consistently show that the investments taxes make possible are critical factors that business leaders consider when deciding where to start or grow their business.

Our coalition supports HB 223, which would eliminate ineffective tax credits that do not provide the promised boosts to our state economy.

This legislation would eliminate a number of subsidy programs that state analysts have found to be deeply flawed: the Enterprise Zone Tax Credit, the Biotechnology Investment Incentive Tax Credit, the state level Opportunity Zone tax credits, and the One Maryland Economic Development Tax Credit.

In a recent op-ed in the Baltimore Sun, Dr. Alvin Thornton said, "We can change history if we can learn from it," while urging legislators to find sustainable and sufficient revenue sources for the Blueprint for Maryland's Future. Our state has a once-in-a-generation opportunity to fund our schools and do it fairly - *we must take action*. Our kids cannot wait.

Therefore, we urge a favorable vote on HB223.