



MARYLAND STATE & D.C. AFL-CIO

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**HB 295 – Corporate Income Tax – Combined Reporting
House Ways and Means Committee
February 12, 2020**

SUPPORT

**Donna S. Edwards
President
Maryland State and DC AFL-CIO**

Madam Chair and members of the Committee, thank you for the opportunity to provide testimony in support of HB 295 – Corporate Income Tax – Combined Reporting. My name is Donna S. Edwards, and I am the President of the Maryland State and DC AFL-CIO. On behalf of the 340,000 union members in the state of Maryland, I offer the following comments.

Most Marylanders and small businesses already pay their fair share of taxes. Big corporations doing business and making profits in Maryland do not. Combined reporting ensures that big corporations will pay their fair share. Combined reporting allows Maryland owned small businesses to compete on an even playing field with multi-state and multi-national corporations. It removes the unfair advantage that currently exists for big corporations to engage in tax-evasion, at the expense of small businesses and Maryland's economy. Businesses that operate solely within the state cannot duplicate the tax avoidance strategies of large, multi-state corporations, and, therefore, are at a competitive disadvantage against companies with near limitless resources.

Twenty-four states and the District of Columbia use combined reporting, and, according to the Fiscal and Policy Note, by 2025 it would bring in \$138 million, annually. We are facing a structural budget deficit that must be addressed, and cannot be balanced with spending cuts. More budget cuts cost the jobs of Maryland workers in public and private sectors, while eliminating the investments in education and transportation that we need to prosper in the future. With increased revenue through combined reporting, we can start to close our budget gap without having to sacrifice services to the people of Maryland.

We urge a favorable report on HB 295.