

February 25, 2020

The Honorable Anne R. Kaiser
Chair, House Ways and Means Committee
House Office Building, Room 131
6 Bladen Street
Annapolis, MD 21401

RE: Opposition of House Bill 1088 (Effective Corporate Tax Rate Transparency Act of 2020)

Dear Chairwoman Kaiser:

The Maryland Building Industry Association (MBIA), representing 100,000 employees of the building industry across the State of Maryland, opposes House Bill 1088 (Effective Corporate Tax Rate Transparency Act of 2020).

This bill requires a publicly traded corporation to include a confidential statement that identifies the corporation's effective tax rate on its Maryland corporate income tax return. The statement must provide an itemized explanation of how the effective tax rate was calculated, and a comparison of the effective tax rate of the corporation both before and after the application of any credits, deductions, subtraction modifications, or other adjustments.

While we appreciate the intent for transparency and clarity, collecting and including this information would be an onerous task for a company. Publicly traded companies already have a lot of reporting requirements; adding another is a lot of work. Given that these companies are already so highly regulated and audited, requiring this information is not only redundant and overly burdensome, but contributes to an increasing anti-business message from the State of Maryland.

For these reasons, MBIA respectfully requests the Committee give this measure an unfavorable report. Thank you for your consideration.

For more information about this position, please contact Lori Graf at 410-800-7327 or lgraf@marylandbuilders.org.

cc: House Ways and Means Committee Members