



NFIB-Maryland – 60 West St., Suite 101 – Annapolis, MD 21401 – www.NFIB.com/Maryland

TO: Senate Budget and Taxation Committee

FROM: NFIB – Maryland

DATE: January 26, 2021

RE: **OPPOSE SENATE BILL 133** – Local Tax Relief for Working Families Act of 2021

Founded in 1943, NFIB is the voice of small business, advocating on behalf of America's small and independent business owners, both in Washington, D.C., and in all 50 state capitals. With more than 250,000 members nationwide, and nearly 4,000 here in Maryland, we work to protect and promote the ability of our members to grow and operate their business.

On behalf of Maryland's small businesses, NFIB opposes Senate Bill 133 – legislation that authorizes local governments to impose the county income tax on a bracket basis. It also raises from 1% to 2.25%, the minimum rate a county must impose on an individual's taxable income. Finally, HB319 raises the maximum rate a county may impose on an individual's taxable income to 3.5%.

NFIB is concerned small business owners that have operated in their current location for years could face higher taxes if their local government elects to adopt the tax provisions set out in SB133. Given Maryland's unique geography and compact size, SB133 will put small businesses in such counties at a competitive disadvantage to their neighbors, not just over state lines, but now over county lines.

NFIB strongly supported legislation last year establishing a commission to evaluate the State's current tax systems and make recommendations to ensure Maryland's tax policy is competitive with surrounding jurisdictions and encourages business growth and job creation. Our members and their workers have faced financial hardships not seen in generations because of the COVID-19 pandemic.

We encourage the General Assembly to revisit the idea of such a commission before passing legislation like SB133 which creates more of a financial web small business owners must work through to ensure they remain competitive and financially viable.

For these reasons, **NFIB opposes SB133** and request an unfavorable report.