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Testimony
SB 688 – Sales and Use and Vehicle Excise Taxes - Peer-to-Peer Car Sharing and
Short-Term Vehicle Rentals - Alterations and Distribution
Budget & Taxation
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Informational Only

The State of Maryland, like many taxing jurisdictions on the federal, state and local levels, employ tax credits with the intent of influencing economic or societal behavior. Often the intention is laudatory; however, the question of effectiveness is too often left unanswered.

AFSCME Council 3 has long called for a complete, thorough and regularly occurring review of existing tax credits and other tax breaks provided by the State. There is broad acknowledgment that there are existing tax preferences in Maryland law that are ineffective at their original purpose, but because of political or philosophical reasons they remain in effect.

Tax preferences that fail their intent serve to hinder the State's ability to ensure appropriate resources are designated to fulfill the State's missions and responsibilities. We have seen services to Marylanders during the pandemic, especially those in crisis, stretched to the point of snapping. While state and higher education employees struggle as best they can to fulfill the delivery of these services and supports for Marylanders, many themselves have had to access state services such as food stamps because of low wages.

Household budgets have to be prioritized and accounted for, or the family suffers. Maryland needs to bring an accounting of the existing tax preferences and policies currently in place and make the necessary changes to ensure revenues are fairly accrued and wisely spent.

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