

MARYLAND FAIR FUNDING COALITION

Testimony in SUPPORT of SB 611 Senator Guy Guzzone, Chairman Budget and Tax Committee

The Maryland Fair Funding Coalition (MFFC) is a statewide coalition of more than 25 organizations that support policy proposals to equitably and sustainably raise revenue in order to make significant investments in public education and other essential services.

The MFFC supports proposals focused on eliminating corporate loopholes and tax breaks that benefit special interests, and fixing our upside-down tax code, which currently allows the wealthiest individuals to pay the smallest share of their income to state and local taxes. Fixing our tax system will support significant new state investments in community needs and ensure that large corporations and wealthy individuals are paying their fair share for the public services we all rely on.

Our coalition supports SB 611, which would make significant improvements in our upside-down tax structure by reforming personal income taxes.

Currently, Maryland the state asks the least of those who have the most – the top 1 percent pay a smaller share of their income in state and local taxes than anyone else. Restructuring our personal income tax is the most effective way to make our tax system more equitable while raising significant revenue to meet community needs. If enacted, this legislation would make our tax system more equitable by asking the wealthiest Marylanders – those earning more than \$500,000 – to pay their fair share in state taxes. It would also raise significant revenue to support essential public services, like world-class public schools and robust public health offices.

Despite doubling their slice of the economic pie over the last 40 years, the wealthiest households simply do not pay their fair share for the public services we all rely on. Our tax code further concentrates wealth and power in a few hands and does nothing to reduce the economic barriers that hold back many Marylanders, especially people of color. Therefore, this legislation is an opportunity to double down on our commitment to equity both by making our tax system more equitable and supporting investments like the Blueprint for Maryland's Future that will increase opportunity for Marylanders.

Our coalition urges our legislators to commit to Maryland families and the future of our economy by supporting measures like HB 435 that raise much-needed revenue and investing in our community needs.

Therefore, we urge a favorable report on SB 611