



NAACP

Maryland

STATE CONFERENCE

SB-688 BUDGET & TAX CHAIRMAN GUY GUYZONNE

February 17, 2021

Good afternoon Mr. Chairman and members of the Senate Budget and Tax Committee, my name is Willie Flowers, President of the NAACP Maryland State Conference and I am here to testify in support of Senate Bill 688.

As you are aware the NAACP is the nation's oldest, largest and most widely recognized civil rights organizations in the nation. I am honored to testify before your committee, because the true priorities of a state are reflected in the budget of Maryland-not in the public proclamations of its officials. It is in this committee that policy gains the muscle to make social change because without funding, priorities become unfilled promises.

Senator Antonio Hayes has brought forth for your consideration through SB 688 an especially important opportunity to realign the tax policy of our state with the priorities of our citizenry. Eight years ago, the Maryland Courts judicially confirmed that Historically Black Colleges and Universities were underfunded and ordered a remedy; the legislature has worked hard to resolve this important matter, passing legislation last year only to have it vetoed because of financial constraints on the State budget. Again, this year, the legislature appears poised to put forth legislation for the Governor's consideration to resolve this dispute; however, HBCUs continue to be underfunded. One need to only tour the campus of Coppin State University and see its fifty-year-old student center or look at its wait list for student housing to see the impacts of underfunding.

During this time, while two governors and the legislature has struggled to find funding to stabilize and improve HBCUs, tax breaks to industries have largely remained intact. I fully understand how a tax break or exemption can spur economic investment and create jobs; however, these exemptions should be evaluated to ensure the State is getting the benefit of the bargain they negotiated. In the case of the rental car titling

tax exemption, which was promised to be cost neutral by industry lobbyists, has proven to be a \$0-68 million dollar loss in needed revenue to the State.

SB 688 simply says to an industry that generates tens of billions of revenues, that it is time to pay your titling tax like citizens do and will direct the revenue to help fund HBCUs. Government at its basic level should provide for the safety, health, and education of its citizens-it is the NAACP's belief that these priorities should never stand behind corporate tax exemptions.

On behalf of the NAACP Maryland State Conference, I urge your support of SB688.