



**DEPARTMENT OF
ASSESSMENTS AND TAXATION**

Larry Hogan, Governor · Boyd K. Rutherford, Lt. Governor · Michael L. Higgs, Jr., Director

DATE: February 17, 2021

BILL NUMBER: HB0779

COMMITTEE: Economic Matters

BILL TITLE: Corporations and Associations - Filing Fees - Reductions

SDAT POSITION: Support

The State Department of Assessments and Taxation (SDAT) supports HB779, a bill that would incrementally reduce the fee for businesses to file their Annual Reports to \$100.

42 states have an annual filing fee of \$100 or less, and Maryland's \$300 fee is tied with Delaware and Tennessee as the fourth highest annual business filing fee in the country. Business owners who are deciding which state to incorporate in can form in Virginia and pay a \$50 annual fee, Pennsylvania and pay a \$125 decennial fee, or Washington D.C. and pay a \$300 biennial fee.

Reducing Maryland's annual filing fee to \$100 would provide a tremendous benefit to Maryland's small business community, while making Maryland more competitive with the rest of the country.

For these reasons, we strongly urge a favorable report by the Committee for HB0839.

The Department would also like to note that Annual Reports are filed based on calendar year, so the 2021 Annual Report corresponds to fiscal year 2022. The Department would be unable to implement any fee decreases until calendar year 2022, which corresponds to fiscal year 2023.

Office of the Director

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