

January 28, 2021

The Honorable Anne R. Kaiser
Chair, House Ways and Means Committee
House Office Building, Room 131
6 Bladen Street
Annapolis, MD 21401

RE: Opposition of House Bill 172 (Corporate Income Tax – Combined Reporting and Subtraction Modification for Combined Groups of Corporations)

Dear Chairwoman Kaiser:

The Maryland Building Industry Association (MBIA), representing 100,000 employees of the building industry across the State of Maryland, opposes House Bill 172 (Corporate Income Tax – Combined Reporting and Subtraction Modification for Combined Groups of Corporations).

This measure would require corporations to calculate their Maryland taxable income using combined reporting. Combined reporting filings are administratively difficult for small businesses, which makes it difficult for an owner to understand them and provide information. Preparation takes more time, and thus incurs higher fees, to file these returns as well. Requiring a switch to combined reporting should not be taken lightly by the State, and much more due-diligence and guidelines would need to be provided to ensure that small business owners understand what the rules are if this method of filing could be successful.

MBIA respectfully requests the Committee give this measure an unfavorable report. Thank you for your consideration.

For more information about this position, please contact Lori Graf at 410-800-7327 or lgraf@marylandbuilders.org.

cc: House Ways and Means Committee Members