

February 3, 2021

The Honorable Guy Guzzone
Senate Budget and Taxation Committee
Miller Senate Office Building,
3 West Wing 11 Bladen St.,
Annapolis, MD, 21401

RE: Opposition to SB 511 Corporate Tax Fairness Act of 2021

Dear Chairman Guzzone:

The Maryland Building Industry Association, representing 1,100 member firms statewide, appreciates the opportunity to participate in the discussion surrounding **SB 511 Corporate Tax Fairness Act of 2021**. MBIA Opposes the Act in its current version.

This bill would require that sales of tangible personal property be counted in the numerator of the sales factor and impose additional reporting requirements on corporate entities. MBIA opposes this measure because the addition of out of state entities as taxable institutions will drive up the costs of goods imported into Maryland which in turn will drive up costs to consumers in numerous industries throughout the state. During the current economic uncertainty, we feel that climbing prices would be counterproductive to the attempts to recharge the economy in the future and make it that much harder to business that are the engine of the state economy to function.

Additionally, the complex accounting required to conform to the new reporting requirements represents a massive expense that, while larger firms may be able to comply with little problem, smaller firms without dedicated financial staff will find to be quite difficult. This measure makes no distinction between the sizes of the corporation to be regulated and this will impose a significant time and resource expense on small firms.

For these reasons, 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: Senate Budget and Taxation Committee