



To Lead, Advocate and Connect as the Voice of Business

House Bill 330 – Effective Corporate Tax Rate Transparency Act of 2021

Ways and Means Committee

January 28, 2021

OPPOSE

The Montgomery County Chamber of Commerce ("MCCC"), as the voice of Montgomery County business, opposes House Bill 330.

House Bill 330 requires a publicly traded corporation required to file a Maryland corporate income tax return to include a confidential statement that identifies the corporation's effective tax rate. The statement must provide an itemized explanation of how the effective tax rate was calculated and a comparison of the effective tax rate of the corporation both before and after the application of any credits, deductions, subtraction modifications, or other adjustments. The Comptroller must collect this information and report specified information to the Governor and the General Assembly by March 1 each year.

While we appreciate the intent for transparency and clarity, collecting and including this information would be an onerous task for a company. Publicly traded companies already have a lot of reporting requirements; adding another is a lot of work. Given that these companies are already so highly regulated and audited, requiring this information is not only redundant and overly burdensome, but contributes to an increasing anti-business message from the State of Maryland.

The effective corporate tax rate is a simple figure that does not capture the complexities of a corporation's assets or structure. For the aforementioned reasons, **we request an unfavorable report on House Bill 330.**

The Montgomery County Chamber of Commerce (MCCC) accelerates the success of our nearly 400 members by advocating for increased business opportunities, strategic investment in infrastructure, and balanced tax reform to advance Metro Maryland as a regional, national, and global location for business success. Established in 1959, MCCC is an independent non-profit membership organization and is proud to be a Montgomery County Green Certified Business.