

## Testimony HB 275Income Tax – Brackets and Rates – Alteration Ways & Means Committee January 28th, 2021 Support

AFSCME Council 3 which representing 30,000 state and Higher Education employees supports HB 275 which restructures Maryland's income tax brackets and rates. The bill lowers state income tax responsibilities for most low- and middle-income households and increases tax responsibilities for the wealthiest households.

Today, the wealthiest 1 percent of Maryland households pay a smaller share of their income in state and local taxes than the rest of us do. House Bill 275 would move Maryland in the right direction by making our tax code more balanced and equitable by asking more of these high-income households.

By reforming Maryland's income tax structure, we would have the ability to generate revenue that could be invested back into our state's communities, address the overwhelming issue of under-staffing issues within our state agencies, and raise the households of lower- and middle-income families. As of late 2017, legislative analysts estimated that state agencies were understaffed to the tune of about 2,500 workers. During the pandemic, there was and continues be a lack of resources to keep our state employees safe as they continue to provide the necessary services to our citizens. Investing in these basics strengthens our economy and can dismantle the economic barriers that too often hold back Maryland's working families.

As Marylanders consider the major investments, we will need to strengthen the foundations of our economy in future years. We cannot continue down the path of asking those with the least to pay the most. We should look first to reforms that can raise significant revenue while making Maryland's tax code fair for all its citizens, not just a few. House Bill 275 would represent a significant step in that direction.

For these reasons, we as for a favorable report on House Bill HB275.

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