



MARYLAND STATE & D.C. AFL-CIO

AFFILIATED WITH NATIONAL AFL-CIO

7 School Street • Annapolis, Maryland 21401-2096

Office. (410) 269-1940 • Fax (410) 280-2956

President

Donna S. Edwards

Secretary-Treasurer

Gerald W. Jackson

HB 215 – Income Tax – Carried Interest – Additional Tax House Ways and Means Committee January 21, 2021

SUPPORT

**Donna S. Edwards
President
Maryland State and DC AFL-CIO**

Madam Chair and members of the Committee, thank you for the opportunity to provide testimony in support of HB 215 – Income Tax – Carried Interest – Additional Tax. My name is Donna S. Edwards, and I am the President of the Maryland State and DC AFL-CIO. On behalf of the 340,000 union members in the state of Maryland, I offer the following comments.

Hedge fund and investment managers pay a lower tax rate than restaurant servers, state and county workers, nurses, bus operators, teachers, and everyone else in Maryland that works for a living. Carried interest income is taxed much lower than income derived from wages. This special treatment for those who make money by investing the income of others undermines the value of all our labor.

HB 215 corrects this inequality by applying a 17% state income surtax on the pass-through income that is attributable to investment management services provided in Maryland. Last year it was estimated that the State would gain an additional \$44 million per year in revenue, providing much needed resources to help fund priorities for our children, families, and communities.

Our tax laws reflect our values. The dignity of all workers should be honored and valued. Investment fund managers need to pay their fair share.

We urge a favorable report on HB 215.