

MARYLAND FAIR FUNDING COALITION

Testimony in SUPPORT of HB 262
Delegate Anne Kaiser, Chair
House Ways and Means Committee

The Maryland Fair Funding Coalition (MFFC) is a statewide coalition of more than 25 organizations that supports policy proposals to equitably and sustainably raise revenue in order to make significant investments in essential public services.

The MFFC supports proposals focused on eliminating corporate loopholes and tax breaks that benefit special interests, and fixing our upside-down tax code, which currently allows the wealthiest individuals to pay the smallest share of their income to state and local taxes. Fixing our tax system will support our state's recovery from the COVID-19 pandemic as well as long-term investments in education, health care, transportation, environmental protections, and many other essential public services. It also will ensure that large corporations and wealthy individuals are paying their fair share for the public services we all rely on.

Our coalition supports HB 262, which would ensure Maryland does not add state tax breaks on top of federal tax provisions that primarily benefit wealthy investors.

The federal Opportunity Zone program that was part of the 2017 federal tax overhaul is designed in a way that primarily benefit wealthy investors and do little to help the communities that are most in need of economic investment. There is no reason for Maryland to layer more tax breaks on top of the federal ones.

If Maryland does not decouple from this tax provision, it will cost at least \$55 million over the next four years – funds that could instead be going to support the things that Maryland families and communities really need. As our state continues to respond to the urgent public health and economic needs the pandemic created, we simply can't afford to accept tax breaks that are lining the pockets of well-off investors with little benefit to Maryland communities

Therefore, we urge a favorable report on HB 262