

February 4, 2021

The Honorable Anne R. Kaiser
Ways & Means Committee
House Office Building, Room 131,
6 Bladen St., Annapolis, MD, 21401

RE: HB 435 State Individual Income Tax – Millionaires’ Tax

Dear Chairwoman Kaiser:

The Maryland Building Industry Association, representing 1,100 member firms statewide, appreciates the opportunity to participate in the discussion surrounding HB 435 State Individual Income Tax – Millionaires’ Tax. MBIA Opposes the Act in its current version.

This bill would impose an additional 7% income tax on income in excess of \$1,000,000.

Implementing an additional tax on incomes over \$1 million decreases the incentive to take risks to build businesses and incomes to achieve that level of compensation because the total level of compensation is reduced. After the COVID-19 pandemic it will be important for investors and businesses to have capital to deploy to aid in the process of re-establishing the state economy. This measure would reduce the available capital and slow the post-COVID economic recovery.

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: Ways & Means Committee