

January 26, 2021

Delegate Anne Kaiser
Chair, House Ways and Means Committee
Maryland House of Delegates
Room 131, House Office Building
Annapolis, MD 21401

RE: HB0229 – Corporate Income Tax – Throwback Rule

Position: **OPPOSE**

Dear Chairwoman Kaiser, Vice Chair Washington and Members of the Committee:

On behalf of our 500-member businesses and more than 45,000 employees in Montgomery County, this statement is in Opposition to HB0229 – Corporate Income Tax – Throwback Rule. The objective of this legislation is to collect corporate income taxes off sales from outside the state on goods that originate in Maryland but are then not taxable in that other state.

The Maryland Business Tax Reform Commission previously considered this issue and recommended this tax scheme not be adopted because it represents a tax on product originators, thereby discouraging investment and business location in Maryland. This would also be more damaging because none of the surrounding states (Pennsylvania, Delaware, Virginia or West Virginia)--utilize a throwback rule, putting us at a competitive disadvantage.

While businesses -large and small - are currently struggling due to COVID-19 and related repercussions, this is not the time to implement this complex change, effecting tax preparers, taxpayers and businesses.

We ask you to please vote **UNFAVORABLE** on this bill, which continues to be voted "unfavorable" every year. Thank you for your consideration of our remarks.

Sincerely,



Allie Williams
President & CEO