

Hearing Testimony January 21, 2021
House Ways and Means Committee
Service Employees International Union, Local 500, CtW, CLC

House Bill 215 - Income Tax - Carried Interest - Additional Tax

SUPPORT

SEIU Local 500 is made up of over 20,000 working people in Maryland, Washington D.C., and Virginia. Our union represents the support staff of Montgomery County Public Schools, family child care providers, adjunct faculty at several Maryland colleges and universities, staff at non-profits, and many other working people across the region. Our members have been on the front lines since the beginning of the COVID-19 pandemic, which is why today we submit this testimony in favor of House Bill 215. Our state must embark on a post-COVID recovery that recognizes the sacrifice of our essential workers and that asks those most privileged among us to contribute their fair share.

This historic legislative session is opening while schools and many small businesses remain shuttered, essential workers have been pushed to their limits, and economic forecasts appear dim at best. There is no doubt that our state will require revenues to help its citizens, students and small businesses recover in the months and years to come. The only question is how those revenues will be raised. Before COVID, working and middle class Marylanders were already contributing an outsized proportion to our state's revenues compared to their most fortunate neighbors. Asking them to continue after giving and losing so much during this crisis would be unconscionable.

House Bill 215 would allow the state to raise revenue from investments and close what has come to be known as the carried interest loophole. By closing this loophole, which is only available to a relatively small number of wealthy individuals fortunate enough to take home passive income, we can raise much needed revenues to aid our state's post-COVID recovery. Any new funding for our state's recovery, vital infrastructure, and education must be fair, responsible, and sustainable. Before imposing any more on everyday Marylanders, we must as a state ask corporations and the super-rich to finally pay their fair share and close needless tax loopholes. A good place to start would be closing the carried interest loophole with House Bill 215.

For all the reasons above, we ask for your support for HB215 and strongly urge a favorable committee report. Thank you each for your dedication to passing this legislation, to fairness and justice, and to the working people of our state – and thank you for considering our testimony.

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