

MARYLAND FAIR FUNDING COALITION

Testimony in SUPPORT of HB 275

Del. Anne Kaiser, Chair

House Ways & Means Committee

The Maryland Fair Funding Coalition (MFFC) is a statewide coalition of 25 organizations that support policy proposals to equitably and sustainably raise revenue in order to make significant investments in public education and other essential 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 significant new state investments in education and ensure that large corporations and wealthy individuals are paying their fair share for the public services we all rely on.

Our coalition supports HB 275, which would make significant improvements in our upside-down tax structure by reforming personal income taxes.

Currently, Maryland the state asks the least of those who have the most – the top 1 percent pay a smaller share of their income in state and local taxes than anyone else. Restructuring our personal income tax is the most effective way to make our tax system more equitable while raising significant revenue to improve our schools. If enacted, this legislation would reduce income taxes for low- and moderate-income households while raising them for the wealthiest Marylanders. It would also restore Maryland’s “millionaire’s tax” on personal income above \$1 million at a 7 percent rate. It would also raise up to \$680 million a year by 2025 for essential services, like world-class public schools.

Despite doubling their slice of the economic pie over the last 40 years, the wealthiest households simply do not pay their fair share for the public services we all rely on. Our tax code further concentrates wealth and power in a few hands and does nothing to reduce the economic barriers that hold back many Marylanders, especially people of color. Therefore, this legislation is an opportunity to double down on our commitment to equity, alongside other proposals, such as the Blueprint for Maryland’s Future.

As we consider education reform and ways to fund a world-class education system, we must also commit to providing a robust response to the pandemic and economic downturn that make more significant investments in the state’s future. Our coalition urges our legislators to commit to our students and the future of our economy.

Therefore, we urge a favorable report on HB 275