

**STATEMENT BY
THE GREATER BETHESDA CHAMBER OF COMMERCE
REGARDING
HB0172 CORPORATE INCOME TAX – COMBINED REPORTING AND SUBTRACTION
MODIFICATION FOR COMBINED GROUPS OF CORPORATIONS BEFORE
HOUSE WAYS AND MEANS COMMITTEE
JANUARY 28, 2021
POSITION: UNFAVORABLE REPORT**

On behalf of our 500-member businesses and more than 45,000 employees in Montgomery County, this statement is in **Opposition to HB172 - Corporate Income Tax – Combined Reporting and Subtraction Modification for Combined Groups of Corporations**. This bill would require certain groups of corporations to file a combined income tax return reflecting the aggregate income tax liability of all the members of the group.

In 2015, the Augustine Commission issued a report recommending that combined reporting not be adopted in Maryland and stated, “This debate causes uncertainty and sends a negative message to businesses considering expansion in or relocation to the State. In its effort to reform the corporate income tax and generate additional revenues, **combined reporting can create revenue volatility and winners and losers among corporate taxpayers**. Combined reporting can also lead to additional litigation from taxpayers and create additional administrative costs for both taxpayers and the State.

At a time when businesses throughout the State and nation are concerned about the economic ramifications from the COVID-19 crisis, now is not the time to cause more confusion and difficulty for corporations of all sizes to do business here.

We agree 100% with the Augustine Commission report, and as we do every year this issue comes up, ask that the committee render an **unfavorable report**. Thank you for your consideration of our remarks.