

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

**House Bill 201 - Income Tax Rates – Capital Gains Income**

**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 201. As our state charts its post-COVID recovery, we must consider the pain and loss of middle- and working class people and insist that those who receive passive income contribute as those who work for their money already do.

Our current, unprecedented legislative session has one overarching imperative: to guide our state through a post-COVID recession and beyond. While economic projections for the near future vary, the fact is that working and middle class Marylanders have already been living through recession conditions - and worse. The people of our state who work for a living, whether in restaurants, schools, or emergency services, have had to cope with job losses, increased risks to their health and safety for those who continued to report to work in person, and other disruptions to their lives. They have had no choice; they, like most of us, work for a living.

Under our current tax code, the revenue collected from passive income, such as investments, is too low, especially in comparison to the tax liabilities of Marylanders who earn their income through work. Fortunately, House Bill 201 would rectify this imbalance with an extremely modest increase to the rate for capital gains. This would correct an ongoing error present in state law and help make our state's post-COVID recovery fair, responsible, and sustainable.

House Bill 201 offers a simple and easy solution to improve our state's inequitable tax code. At a time when our state's working people are enduring a once-in-a-generation pandemic and must undertake an economic recovery, there could be no better time to pass this legislation. We therefore ask for your support for HB201 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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**Pia Morrison, President**