



Peter Franchot  
*Comptroller*

## TESTIMONY OF COMPTROLLER PETER FRANCHOT

### Support - Senate Bill 403 - Corporations and Associations - Annual Reports - Fees for Electronic Filings

*Budget and Tax Committee*

*February 8, 2022*

Chairman Guzzone, Vice Chairman Rosapepe and members of the Committee, it is my pleasure to provide testimony in **support** of **Senate Bill 403 - Corporations and Associations - Annual Reports - Fees for Electronic Filings**. I would like to thank the Senate President for sponsoring this important legislation on behalf of the Administration, and the Committee for providing the opportunity for my testimony to be heard.

Businesses registered in Maryland are required to file an Annual Report with the State Department of Assessments and Taxation (SDAT). Senate Bill 403 eliminates annual filing fees that all business entities are required to pay to maintain their "Good Standing" status with the state that allows them to operate. Maryland currently has one of the highest fees for business filings compared to our neighboring states at \$300 for companies, LLCs, and other entities.

Throughout my tenure as Comptroller, our agency has continually pursued different strategies to encourage businesses to develop and thrive. Additionally, businesses, particularly small and medium-sized entities, have faced numerous financial difficulties over the last several years. We are all committed to attracting and retaining businesses to our great state, and the elimination of the filing fee is a small but meaningful way to provide support to Maryland businesses who file electronically - which provides cost savings and operational efficiencies for SDAT.

Senate Bill 403 would provide relief to businesses and encourage electronic filing. For the reasons above I respectfully request a favorable report for Senate Bill 403. Thank you for your time and consideration on this bipartisan initiative.

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