



February 9, 2022

Senator Guy Guzzone, Chair  
Senate Budget and Taxation Committee  
3 West, Miller Senate Office Building  
Annapolis, MD 21401

**RE: Senate Bill 360 – UNFAVORABLE – Corporate Tax Fairness Act of 2022**

Dear Chair Guzzone and Members of the Senate Budget and Taxation Committee:

The Maryland Transportation Builders and Materials Association (“MTBMA”) has been and continues to serve as the voice for Maryland’s construction transportation industry since 1932. Our association is comprised of 200 members. MTBMA encourages, develops, and protects the prestige of the transportation construction and materials industry in Maryland by establishing and maintaining respected relationships with federal, state, and local public officials. We proactively work with regulatory agencies and governing bodies to represent the interests of the transportation industry and advocate for adequate state and federal funding for Maryland’s multimodal transportation system.

Senate Bill 360 would amend Maryland’s corporate income tax structure to adopt “combined reporting,” in which the calculation of the overall income tax liability for a combined group of corporations or pass-through entities doing business in Maryland must take into account the combined income of all members of the combined group. It also specifies the circumstances under which sales of tangible personal property must be included in determining the Maryland taxable income of a multistate corporation. Finally, it alters the distribution of State corporate income tax revenues to include a share that would be distributed annually to the Blueprint for Maryland’s Future Fund.

MTBMA opposes the move to “combined reporting” because implementing such a complex system with no guarantee of a material increase to State revenues would put Maryland at a significant competitive disadvantage when compared to our immediate neighbors at a time during this nascent recovery when Maryland businesses are still struggling to overcome the impact of COVID-19 and stay afloat. Now is not the time to jeopardize the progress we’ve made so far as a state by imposing additional burdensome administrative requirements that will harm our efforts to attract and retain businesses, promote economic opportunities, and add more jobs to the Maryland economy.

We appreciate you taking the time to address this important issue, and we urge an unfavorable report on Senate Bill 360.

Thank you,

A handwritten signature in blue ink, appearing to read "Michael Sakata", is written over a large, stylized blue scribble that extends across the page.

Michael Sakata  
President and CEO  
Maryland Transportation Builders and Materials Association