

**Testimony in OPPOSITION to Senate Bill 735
Repeal the Netflix Tax of 2022**

**Senate Budget & Taxation Committee
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The Maryland State Education Association opposes Senate Bill 735, which would repeal the application of the sales and use tax to certain digital codes and digital products. These are funds that go directly to the Blueprint for Maryland's Future Fund and are necessary to fund the implementation of the Blueprint for Maryland's Future, which will give students a world-class education.

MSEA represents 75,000 educators who work in Maryland's public schools, teaching and preparing our 896,837 students for careers and jobs of the future. MSEA also represents 39 local affiliates in every county across the state of Maryland, and our parent affiliate is the 3 million member National Education Association (NEA).

If enacted, this bill would have devastating effects on the State's ability to fund the Blueprint for Maryland's Future and other services. The Fiscal Note estimates this bill could cost the Blueprint for Maryland's Future Fund over \$100 million annually. This will impede the State's ability to fund the necessary programs the Commission on Innovation and Excellence in Maryland (Kirwan Commission) deemed necessary to give opportunity, hope, and promise to all Maryland students, no matter what they look like, where they come from, or who their family is. This historic investment brings to students, educators, and schools changes educators have long advocated for and expands opportunities at every grade level with new resources, programs, and staffing. This bill would undermine all of that progress.

This year the Maryland General Assembly has heard many proposals for tax credits and modifications for specific populations and purposes. As you are considering these proposals the Maryland State Education Association urges you to consider the ramifications that each one will have on the General Fund and our ability to provide a high-quality education to every K-12 student in our state.



Public education, as with many other worthy services provided by government, is a common good and needs to be supported with revenue sources that are broad based, reliable, and stable. Providing adequate funding for education is an investment that promotes families, communities, economic development, and public safety. Investing in education provides an educated workforce that pays income taxes based upon higher salaries, pays sales taxes based upon greater consumer demand, and pays property taxes through expanded home purchasing power. Today's investment in education is tomorrow's increased government revenues.

Backed by the best practices of strong-performing school systems around the world and firsthand experience of Maryland educators, we know these strategies will greatly improve the quality of education for all our students. But they will not materialize without the necessary dedicated revenue.

MSEA respectfully urges an Unfavorable Report on Senate Bill 735.