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March 9, 2022

The Honorable Guy Guzzone, Chair
The Honorable James Rosapepe, Vice Chair Senate Budget
and Taxation Committee
Miller Senate Office Building, 3 West Wing
11 Bladen Street
Annapolis, MD 21401

Re: S.B. 798, Sales and Use Tax – Vendor Collection Credit – Alteration

Chair Guzzone, Vice-Chair Rosapepe and Members of the Senate Budget and Taxation Committee:

My name is David Downey, Managing Director with Cushman and Wakefield and Chair Emeritus of the Board of Goodwill Industries of the Chesapeake. I have been involved with Goodwill for nearly 20 years.

The Board and staff of Goodwill Industries of the Chesapeake are strong supporters of this legislation. The purpose of this bill is to allow for qualified job training organizations to keep the taxes that are currently remitted to the state through the sale of donated goods, permitting them to further invest in their communities through workforce development programs. Sales tax has already been paid with the original purchase of these goods.

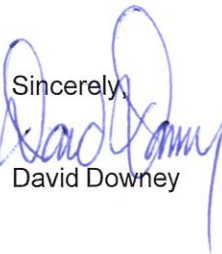
Goodwill services to those in need include job readiness training, job placement and retention, remedial education, skills training and several pre-apprenticeship programs. We have added remedial education and skills training to the portfolio of services to help participants gain access to middle skill jobs. Our research indicates that there are more than 82,000 people over the age of 25 in the City of Baltimore without a high school diploma or GED. The unemployment rate for this group of people without a high school education is over 20%! That is four times the Baltimore City rate of 3.5% and over four times the rate for the State of Maryland%.

In June 2018, MSDE and DOL approved Goodwill's application to open The Excel Center; a school where adults without a high school education can earn their diploma. Its concept is unlike any current adult education program in Maryland. Students will attend classes as prescribed by a curriculum approved by MSDE. Remedial and basic high school course work will be balanced with tangible job skills training and dual credit college level coursework.

Students will participate in high quality, deliberate instruction to build basic skills and access the secondary-level instruction that leads to a diploma.

This tax credit will allow Workforce Development agencies, like Goodwill, to expand their capacity with programs like The Excel Center and provide a prepared workforce in the state, thus helping to improve our economy and tax base.

I urge a favorable report on HB 1264.

Sincerely,

David Downey