



MARYLAND STATE & D.C. AFL-CIO

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**SB 361 – Income Tax – Carried Interest – Additional Tax
Senate Budget and Taxation Committee
February 9, 2022**

SUPPORT

**Donna S. Edwards
President
Maryland State and DC AFL-CIO**

Chairman and members of the Committee, thank you for the opportunity to provide testimony in support of SB 361 – Income Tax – Carried Interest – Additional Tax. My name is Donna S. Edwards, and I am the President of the Maryland State and DC AFL-CIO. On behalf of the 340,000 union members in the state of Maryland, I offer the following comments.

Hedge fund and investment managers pay a lower tax rate than restaurant servers, state and county workers, nurses, bus operators, teachers, and everyone else in Maryland that works for a living. Carried interest income is taxed much lower than income derived from wages. This special treatment for those who make money by investing the income of others undermines the value of all our labor.

SB 361 corrects this inequality by applying a 17% state income surtax on the pass-through income that is attributable to investment management services provided in Maryland. Last year it was estimated that the State would gain an additional \$44.8 million per year in revenue, providing much needed resources to help fund priorities for our children, families, and communities.

Our tax laws reflect our values. The dignity of all workers should be honored and valued. Investment fund managers need to pay their fair share.

We urge a favorable report on SB 361.