



LEGISLATIVE POSITION:

Favorable

House Bill 722

Corporations and Associations – Annual Reports – Filing Fees

House Economic Matters Committee

Wednesday, February 16, 2022

Dear Chairman Wilson and Members of the Committee:

Founded in 1968, the Maryland Chamber of Commerce is the leading voice for business in Maryland. We are a statewide coalition of more than 5,500 members and federated partners working to develop and promote strong public policy that ensures sustained economic recovery and growth for Maryland businesses, employees, and families.

Currently, when a business is formed, qualified, or registered in the State they are required to file an Annual Report, which costs \$300, with the Department of Assessments and Taxation. HB 722 proposes to eliminate the fee attached to this report if the business files electronically or does not report any personal property for which tax would be owed.

Out of all our surrounding states, Maryland charges one of the highest fees for Annual Reports. However, with the adoption of HB 722 Maryland would become to the first State in the country to provide a zero-fee option for businesses. This puts Maryland at a competitive advantage and incentives businesses to locate in the State.

One of the goals of the Maryland Chamber of Commerce is to strengthen the state's competitive tax climate and help attract and retain businesses, talent and investment and HB 722 accomplishes this. The elimination of the \$300 filing fee will remove barriers for prospective business owners and those looking to locate in the State. It will also help those currently located in Maryland, many of whom are still recovering from the COVID-19 shutdown.

HB 722 is a great example of government taking a proactive step to support small businesses and their economic recovery. With these comments in mind, Maryland Chamber of Commerce respectfully requests a **favorable report** on **HB 722**.