



OUR MISSION:

Working to enhance the economic prosperity of greater Silver Spring through robust promotion of our member businesses and unrelenting advocacy on their behalf.

**HB1096 – Economic Development Tax Credit Programs –
Qualified Position and Qualified Employee – Definitions
Ways and Means Committee
March 2, 2022
UNFAVORABLE**

On behalf of the Greater Silver Spring Chamber of Commerce, representing 400 member organizations, including very small businesses with fewer than ten employees and several nonprofits, in the greater Silver Spring area of Montgomery County, I write to express our opposition to HB1096 – Economic Development Tax Credit Programs – Qualified Position and Qualified Employee – Definitions.

We believe that business is the most effective social program on earth. It has lifted millions out of poverty, by creating jobs. That's why our organization has long supported programs that encourage and incentivize job creation.

HB1096 would have the opposite effect on State programs that are designed to create more jobs. By requiring employers to provide benefits some of them cannot even afford for themselves, the program disincentivizes the goal it was created to achieve.

Furthermore, the timing of this proposal seems tone deaf to the current economic conditions. Despite several successful Federal programs, some businesses were still forced to reduce their workforces. Now, as we come out of the pandemic, some see hope on the horizon as they are able to rehire former workers or hire new ones.

We spoke with one member who would have been able to qualify for about \$50 thousand in tax credits in 2020. But then COVID hit and they were forced to lay off most of the jobs had created because the Government shut the business down. Last year, they were able to rehire most former employees. But if this bill becomes law, they could not qualify for the credit. Their wage structure is within the bill's parameters. They offer health insurance, but the employer-employee cost split exceeds what is specified in the bill. And, they are not able to offer any retirement benefits. As they said, they cannot even afford retirement benefits for themselves as owners.

For these reasons, the Greater Silver Spring Chamber of Commerce respectfully requests a **UNFAVORABLE committee report on HB1096.**

Jane Redicker

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