



House Bill 1096 -- *Economic Development Tax Credit Programs – Qualified Position and Qualified Employee – Definitions*
House Ways and Means
March 2, 2022
Oppose

The Montgomery County Chamber of Commerce (MCCC), the voice of business in Metro Maryland, opposes House Bill 1096 -- *Economic Development Tax Credit Programs – Qualified Position and Qualified Employee – Definitions*.

House Bill 1096 alters the definition of “qualified position” for economic development programs such as Enterprise Zone, One Maryland, and More Jobs for Marylanders by prohibiting eligibility unless the positions meet a myriad of requirements. These requirements include that the position provide career advancement training, afford the right to collective bargaining, provide paid leave, are considered covered for unemployment insurance, have workers’ compensation benefits, offer retirement benefits, provide fair scheduling, and offer employer-provided health insurance benefits with monthly premiums that do not exceed 8.5% of the employee’s net monthly earnings.

Employee attraction and retention should always be top of mind for policymakers, especially during this period of growing labor market challenges. Before the COVID-19 pandemic wrought its economic and labor market disruption, MCCC heard from its members that employee attraction and retention was the top concern for the business community. Over the last two years, this issue has only been exacerbated by the pandemic economy. House Bill 1096 makes it more difficult for Maryland employers, especially small businesses, to compete for jobs with surrounding and competitor states that do not have nor are considering such stringent requirements.

Imposing a plethora of restrictions to qualify for economic development programs will put Maryland at a competitive disadvantage. Maryland generally has a higher cost of doing business than surrounding states. Incentives, such as tax credits, grants, and loans focused on job creation and economic development, are meant to mitigate some of those costs. These programs, as currently constructed, work well, and provide targeted incentives in every corner of the State to grow jobs, tax revenue, and provide more opportunities for Marylanders to get and stay in the workforce.

MCCC is also concerned that passage this bill will disproportionately harm small businesses. Small businesses often utilize economic development incentives to grow as they compete with larger companies. This bill may make some small businesses ineligible for State incentives and allow more large companies to take advantage of various economic development programs.

For these reasons, the Montgomery County Chamber of Commerce opposes House Bill 1096 and respectfully requests an unfavorable report.

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The Montgomery County Chamber of Commerce, on behalf of our nearly 500 members, advocates for growth in business opportunities, strategic investment in infrastructure, and balanced tax reform to advance Metro Maryland as a regional, national, and global location for business success. Established in 1959, MCCC is an independent non-profit membership organization and a proud Montgomery County Green Certified Business.

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