

# **In favor of HB841.pdf**

Uploaded by: Jack Weber

Position: FAV



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**HB841– Ways and Means Committee- Maryland Manufacturing Tax Relief Act of 2022  
Favorable**

Dear Members of the Ways and Means Committee:

By moving HB841 forward, this action would greatly help my business purchase much needed, advanced manufacturing equipment.

Unfortunately, one of the digital printing presses I purchased not long ago for \$500,000, became obsolete in less than five years and had to be removed for scrap!

This negatively impacted my capability to respond to the demand-needs locally and beyond.

If HB841 becomes law, the ability to depreciate new, replacement equipment over one year, would give me the additional momentum needed to move ahead with the proposed purchase.

Fortunately, this would not impact State of Maryland taxes in the long run since I would be depreciating the new equipment over seven years.

By investing over \$1,000,000 in advanced manufacturing equipment, our company will be able to compete globally, bring new business to Maryland, hire additional off-site staff and benefit job creation in Baltimore City.

I believe this is a great example of a win-win opportunity. I am hopeful that HB841 will pass with your support.

Jack Weber  
President  
Uptown Press, Inc.

# **HB841- Income Tax – Expensing of Business Property**

Uploaded by: Jane Redicker

Position: FAV



**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.

**HB841 – Income Tax - Expensing of Business Property - Recoupling With Federal Law  
(Maryland Manufacturing Tax Relief Act of 2022)**

**Ways and Means Committee**

**February 23, 2022**

**FAVORABLE**

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 support for HB841 – Corporations and Associations - Annual Reports – Filing Fees.

Our tax codes and filing requirements are complex even for the most experienced business owner. Differences in deductions allowed on Federal returns versus State returns complicates the matter even further. Recoupling the treatment of business property with Federal law just makes sense.

For these reasons, the Greater Silver Spring Chamber of Commerce respectfully requests a **FAVORABLE committee report on HB841.**

***Jane Redicker***

President & CEO

**Greater Silver Spring Chamber of Commerce**

8601 Georgia Avenue #203

Silver Spring, MD 20910

Office: (301) 565-3777

Mobile: (301) 466-8997

[www.gsscc.org](http://www.gsscc.org)

# **CSP Support Letter HB 841.pdf**

Uploaded by: Kenneth Sanchez

Position: FAV



February 21, 2022

To Whom It May Concern:

**HB 841: Maryland Manufacturing Tax Relief Act of 2022**

This is a letter of support for HB 841.

Manufacturing is critical to the Maryland economy, creating jobs and driving advancements in technology. The reason for the strong relationship between industrialization and economic development is that the manufacturing sector is the driver of productivity growth. This, in turn, is the lifeblood of technological development. Every economic activity stimulates another economic activity. So, just as manufacturing stimulates the provision of services, services stimulate manufacturing production. But evidence shows that manufacturing has a stronger “multiplier effect” than services.

In Maryland, manufacturers have been struggling due to excess burden and cost not seen in other states and countries. A perfect example of this is the disadvantage of the current Maryland tax law regarding depreciation.

No matter the product, manufacturing companies rely upon equipment, tools, and other fixed assets to keep operations running smoothly. Their ability to meet that objective and deliver goods to their customers depends upon the condition of their equipment as well as their recordkeeping practices regarding those fixed assets. The number of years over which an asset is depreciated is determined by the estimated useful life of the asset, or how long the asset can be used. The federal government has set a schedule to encourage investment in manufacturing, but the state currently does not match this schedule. HB 841 will fix this problem. For this reason, we fully support the bill.

The bill helps us to invest more in our Baltimore manufacturing facility, thus making us more competitive. This investment will save and/or add new jobs, as well as allow for continued payments of taxes and other support to the community.

We hope the legislators can support us by passing the bill.

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With kind regards,

Kenneth Sanchez  
President

# **HB 841\_MDCC\_Income Tax - Expensing of Business Pro**

Uploaded by: Maddy Voytek

Position: FAV



**LEGISLATIVE POSITION:**

**Favorable**

**House Bill 841**

**Income Tax - Expensing of Business Property - Recoupling With Federal Law (Maryland Manufacturing Tax Relief Act of 2022)**

**House Ways and Means**

**Wednesday, February 23, 2022**

Dear Chairwoman Atterbeary 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 (except for manufacturers covered under The More Jobs for Marylanders Program), the state is decoupled from any increased expensing under Section 179 and additional depreciation amounts under Section 168(k) of Internal Revenue Code (IRC). This means that taxpayers must make an adjustment for Maryland income tax purposes to reflect the changes made to the maximum aggregate costs of expensing under these sections. HB 841 would recouple Maryland with the federal law, thus allowing increased expensing by impacted businesses.

Small businesses, especially manufacturers, are the backbone of our economy. By recoupling with federal law, Maryland employers, employees and their families will be provided with much needed relief, opportunity and incentives to continue to grow and prosper in the State. HB 841 is a great example of government supporting both small businesses and their workforce by taking a proactive approach to economic recovery.

Additionally, HB 841 removes complications when it comes to filing taxes. As stated above, a business must adjust for Maryland income tax purposes. This difference between Maryland law and Federal law disproportionately impacts small businesses that do not always have access to extra funds and resources needed to make sure everything is in compliance. HB 841 would remove this additional headache and make Maryland return preparation a much easier process.

With these comments in mind, The Maryland Chamber of Commerce respectfully requests a **favorable report** on HB 841.



# **Favorable HB 841.pdf**

Uploaded by: Michael Galiazzo

Position: FAV



**2022 Board of Directors**

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ArMel Scientifics

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**Michael Kelleher**

Maryland MEP

**Sandra Kurtinitis**

Community College of

Baltimore County

**Anita Kassof**

Baltimore Museum of Industry

**Neill Christopher**

The Arc Northern Chesapeake

**Todd Sabin**

Maryland Department of

Commerce

**Michele Whelley**

Economic Alliance of

Greater Baltimore

**Leonard Howie**

Baltimore County Economic &

Workforce Development

**John Freeburger**

Community Member

February 21, 2022

To: Ways and Means Committee Members

From: Michael Galiazzo, President Regional Manufacturing Institute of Maryland  
Re Favorable - HB 841: Maryland Manufacturing Tax Relief Act of 2022

On behalf of the private sector members of the Regional Manufacturing Institute of Maryland, I am writing in support of HB 841: Maryland Manufacturing Tax Relief Act of 2022.

HB 841 provides assistance to manufacturers that will result in several important outcomes to grow Maryland economy to include:

- 1) Putting Maryland manufacturers on a level "playing field" with other states.
- 2) In an era of transformation in manufacturing, companies need to purchase new equipment more often to maintain globally competitive. This bill supports companies who will need to upgrade equipment more frequently than in the past.
- 3) The majority of Maryland manufacturers are small to medium size. Having accelerated depreciation will be a boost to these companies,
- 4) RMI is a strong advocate of growing our minority manufacturing base. Many are small companies. Again this will help them to adopt new technologies more frequently and compete with other states who currently enjoy better benefits.

There are other advantages that manufacturers will have with the passage of HB 841.

I ask that you please give this bill a favorable vote.

Thank you.

# **MD MEP Support of HB 0841 Tax Relief Act.pdf**

Uploaded by: Mike Kelleher

Position: FAV



The Honorable Vanessa E. Atterbeary  
House Office Building  
Room 131  
Annapolis, MD 21401

**RE: Legislative Support for House Bill 0841 – Income Tax – Expensing of Business Property –  
Recoupling with Federal Law (Maryland Manufacturing Tax Relief Act of 2022)**

Dear Committee Chair Atterbeary and Members:

I am writing this letter to express my support for House Bill 0841; entitled Income Tax – Expensing of Business Property – Recoupling with Federal Law (Maryland Manufacturing Tax Relief Act of 2022)

In Maryland there are nearly 4,000 manufacturers that are proud to produce products and goods that are critical to the global supply chain. In the production of these goods, manufacturers annually invest millions of dollars into equipment that is essential to the manufacturing production process. Currently, the State is decoupled from the Federal Section 178 tax code and thereby limited in the amount and timing of claiming this expense. More importantly, our manufacturing businesses are at a significant disadvantage compared to those located in our neighboring states whom are able to receive the full benefits available under the Federal tax code.

The newly proposed legislation would provide an immediate and meaningful economic impact for our State's small and mid-sized manufacturing enterprises.

I serve as the Executive Director for the Maryland Manufacturing Extension Partnership (MD MEP). MD MEP is a non-profit organization focused on growing and strengthening Maryland manufacturers. On an annual basis, MD MEP administers funding and programs that create nearly \$300 Million economic impact and create or retain more than 2,000 jobs.

House Bill 0841 will provide a more competitive business environment for our manufacturing enterprises relative to our neighboring states and enable these businesses to receive the tax benefits associated with the change in law. More importantly, the financial impacts are likely to be leveraged to further increase investment in the manufacturing sector, creating opportunities for business growth and increased jobs. For these reasons, I am strongly in support of House Bill 0841. Thank you for your consideration.

Sincerely,

Michael Kelleher  
Executive Director, MD MEP

**HB841\_NFIB\_fav (2022).pdf**

Uploaded by: Mike O'Halloran

Position: FAV



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NFIB-Maryland – 60 West St., Suite 101 – Annapolis, MD 21401 – [www.NFIB.com/Maryland](http://www.NFIB.com/Maryland)

TO: House Health and Government Operations Committee

FROM: NFIB – Maryland

DATE: February 23, 2022

RE: **SUPPORT HOUSE BILL 841** – Income Tax – Expensing of Business Property – Recoupling with Federal Law

Founded in 1943, NFIB is the voice of small business, advocating on behalf of America's small and independent business owners, both in Washington, D.C., and in all 50 state capitals. With more than 250,000 members nationwide, and nearly 4,000 here in Maryland, we work to protect and promote the ability of our members to grow and operate their business.

On behalf of Maryland's small businesses, NFIB supports House Bill 841 – legislation that would recouple the state with federal expensing and depreciation schedules. This would not only decrease tax burdens on small manufacturers but continuity in federal and state taxing policy provides its own benefits.

For these reasons, **NFIB supports HB841**. This bill is a positive step in helping small manufacturers increase their capital and therefore increase their investments in operating equipment. NFIB-Maryland requests a favorable committee report.

# HB841

Uploaded by: Pam Kasemeyer

Position: FAV



# MARYLAND TECH COUNCIL

**TO:** The Honorable Vanessa E. Atterbeary, Chair  
Members, House Ways and Means Committee  
The Honorable Lily Qi

**FROM:** Pamela Metz Kasemeyer  
J. Steven Wise  
Danna L. Kauffman  
Christine K. Krone

**DATE:** February 23, 2022

**RE:** **SUPPORT** – House Bill 841 – *Income Tax – Expensing of Business Property – Recoupling With Federal Law (Maryland Manufacturing Tax Relief Act of 2022)*

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The Maryland Tech Council (MTC) is a collaborative community, actively engaged in building stronger life science and technology companies by supporting the efforts of our individual members who are saving and improving lives through innovation. We support our member companies who are driving innovation through advocacy, education, workforce development, cost savings programs, and connecting entrepreneurial minds. The valuable resources we provide to our members help them reach their full potential making Maryland a global leader in the life sciences and technology industries. On behalf of MTC, we submit this letter of **support** for House Bill 841.

House Bill 841 repeals the Maryland income tax modifications for certain deductions for the cost of business property that is treated as an expense for federal tax purposes. It will allow certain businesses increased expensing by conforming the State income tax to the maximum aggregate costs of expensing allowed under Section 179 of the Internal Revenue Code (IRC). Currently, only \$25,000 can be taken for IRC Section 179 expenses on a Maryland return. Anything in addition to that amount that is expensed on a federal return is required to be added back in Maryland.

Passage of House Bill 891 will benefit the business community by allowing federal provisions to flow through to the calculation of Maryland income taxes, which will decrease tax burdens on these businesses. The bill will incentivize companies to invest in new equipment, and help small businesses alleviate the financial burden of acquiring a lot of equipment or software. This legislation will also make Maryland more competitive in the region on this issue. Virginia currently conforms to section 179, so the bill would see Maryland be on par with Virginia who directly competes with Maryland for recruitment and retention of industry. A favorable report is requested.

**For more information call:**

Pamela Metz Kasemeyer  
J. Steven Wise  
Danna L. Kauffman  
Christine K. Krone  
410-244-7000



**HB841 PGAMA.pdf**

Uploaded by: Tyler Bennett

Position: FAV



## **HB841– Ways and Means Committee- Maryland Manufacturing Tax Relief Act of 2022 Favorable**

### **Dear Members of the Ways and Means Committee**

The Printing & Graphics Association Mid-Atlantic (PGAMA) respectfully supports HB841. The printing & graphics industry in Maryland encompasses roughly 16,000 employees across 500 companies and is among the largest manufacturing sectors in the state. This legislation, which would couple depreciation with the federal statutes, would, not only create an incentive to invest by printing companies in Maryland, but have a neutral impact on revenues long term. By encouraging our member companies to invest in new equipment and technology, new and better paying jobs would be created. Most of our members are small businesses facing extraordinary market challenges and this legislation would be an incentive to continue to operate and grow.

During the 2021 legislative session, the General Assembly established the Workgroup to Study the Transformation of Manufacturing in Maryland's Emerging Digital Economy, on which PGAMA was represented. The workgroup met over the interim and among the topics of discussion was an increase in the accelerated depreciation afforded under Maryland's tax code. The state tax code largely conforms to the federal tax code, except where explicit decoupling statutes exist. One of those instances is Section 179 of the IRC. Current federal limits on expensing are \$1 million with a dollar-for-dollar phase out beginning if the capital expenditures exceed \$2.5 million. These figures were increased in 2017 from \$500,000 and \$2 million respectively. Prior to that, in 2015, these limits were scheduled to decrease to \$25,000, with a phase-out at \$200,000. These are Maryland's current limits. However, Congress chose to extend the higher limits as part of the Protecting Americans from Tax Hikes (PATH) Act of 2015.

Due to the unprecedented challenges created by myriad issues, most of which our member companies had no control over, this legislation would create some positive energy for our industry and by virtue of our size, create a positive impact on the economy of the state of Maryland.

Jay Goldscher  
President and CEO  
PGAMA  
[jay@pgama.com](mailto:jay@pgama.com)

Tyler Bennett  
Compass Government Relations Partners  
[tbennett@compassadvocacy.com](mailto:tbennett@compassadvocacy.com)

**HB0841-WM\_MACo\_OPP.pdf**

Uploaded by: Kevin Kinnally

Position: UNF



## **House Bill 841**

*Income Tax - Expensing of Business Property - Recoupling With Federal Law  
(Maryland Manufacturing Tax Relief Act of 2022)*

MACo Position: **OPPOSE**

To: Ways and Means Committee

Date: February 23, 2022

From: Kevin Kinnally

### **Tax Incentives and Local Government Autonomy**

**Counties are eager and committed partners in promoting economic growth and creating opportunity – and prefer local autonomy in determining the best way locally. The Maryland Association of Counties (MACo) opposes state-mandated reductions in local revenue sources, but county governments welcome flexible and optional tools to serve and react to local needs and community priorities.**

The General Assembly routinely considers broad or targeted tax incentives to stimulate economic growth, encourage beneficial activities, or attract and retain residents. These proposals sometimes focus exclusively on the state's tax structure, but often extend to local revenues as well.

In general, MACo stands for local self-determination. Counties, led by locally elected leaders directly accountable within the communities they serve, are best positioned to govern local affairs – ranging from land use to fiscal matters. MACo steadfastly guards this local autonomy and consistently advocates against one-size-fits-all policies that override local decision-making.

State tax incentives should be enacted as "local option" offerings to allow counties maximum flexibility in tailoring local policies to meet local needs and priorities. The State and its local governments already work together here – where the State routinely grants a state-level property tax credit, but then enables county governments to enact their own as a local option.

MACo urges the Committee to primarily consider state income tax credits as the best means to incorporate local tax relief as part of a broader policy. MACo and county governments stand ready to work with state policymakers to craft flexible and optional tools to deliver broad or targeted tax incentives, but resist state-mandated changes that preclude local input.

**HB 841\_MDL\_Letter of Information.docx.pdf**

Uploaded by: Andrew Fulginiti

Position: INFO

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## HB 841

**Date:** February 23, 2022

**Committee:** House Ways and Means

**Bill Title:** *Income Tax - Expensing of Business Property - Recoupling With Federal Law (Maryland Manufacturing Tax Relief Act of 2022)*

**Re:** Letter of Information

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HB 841 repeals Maryland income tax modifications for business property deductions that are treated as an expense for federal income purposes. If passed, *The Manufacturing Tax Relief Act* would accelerate equipment purchase tax write-offs by aligning State deductions with the federal schedule for taxable years beginning after December 31, 2021.

**The bill would help to reduce the risk of large equipment purchases for manufacturing entities, a regular and necessary component of the industry, and further advance Maryland as a desirable location to do business. If passed, these changes will align the State with national best practices and allow Maryland manufacturers and small businesses to more easily obtain cutting edge equipment to meet the demands of evolving advanced manufacturing.**

MD Labor is committed to supporting businesses and job seekers interested in Maryland's manufacturing industry. Senate Bill 444/House Bill 658, passed by the General Assembly during the 2021 Legislative Session, created the Transforming Manufacturing in a Digital Economy Workgroup (Making It In Maryland), and assigned the Department of Commerce as staff to the workgroup. MD Labor has participated in this group since its inception alongside industry representatives, educational entities, and State legislators. The purpose of the workgroup is to study and make recommendations relating to Maryland's current and future manufacturing workforce, including the advancement of this critical legislation.

Given the extensive career pathway opportunities and good paying jobs in the manufacturing industry, EARN Maryland, MD Labor's nationally recognized workforce development program, has invested more than \$6.9 million in manufacturing Strategic Industry Partnerships since 2014. Funding has reached all corners of the State, with partners including the Maryland Manufacturing Extension Partnership, Wor-Wic Community College, Berry Plastics, the Jane Addams Resource Corporation, and the Susquehanna Workforce Network. Through these strategic investments, nearly 600 individuals have entered new employment positions and over 2,700 incumbent workers have participated in upskilling opportunities within the industry. **The Tax modifications included in HB841 could help to further enhance this success and lead to more lucrative careers for Marylanders.**