



Feb. 1, 2023

The Honorable Guy Guzzone, Chair
Budget & Taxation Committee
Miller Senate Office Building
Annapolis, Maryland 21401

Re: SB 240 *“Income Tax – Out-of-State Taxes Paid by Pass-Through Entities – Addition Modification”* — **FAVORABLE WITH AMENDMENTS**

Dear Chairman Guzzone and members of the Committee,

The Maryland Association of Certified Public Accountants (MACPA) is a membership organization with nearly 9,000 CPA members. Our members serve thousands of individual and business clients throughout the state.

Senate Bill 240 creates a new addition modification for members of a pass-through-entity (“PTE”) where the PTE pays an entity-level tax in other states for which the member claims a credit on his/her Maryland tax return. While we believe we understand the intent of the addition modification, our members find the proposed wording confusing and so may cause difficulty in implementation. We therefore have been in communication with the Comptroller’s Office with the goal of coming to agreement on amendment to the wording that will alleviate the confusion.

We respectfully request a favorable report only after the bill is amended with the language that will be agreed upon between the MACPA and the Comptroller’s Office.

Thank you very much for the opportunity to offer these comments for your consideration. If you have any questions or if we can provide additional information, please contact Mary Beth Halpern of the MACPA at marybeth@macpa.org or (443) 632-2330.

Sincerely,

MACPA State Tax Committee

cc: Nick Manis, Manis Canning & Associates