



Hearing Testimony March 29, 2023  
Senate Budget and Taxation Committee  
Service Employees International Union, Local 500, CtW, CLC

**House Bill 39 – Corporate Income Tax Returns of Publicly Traded Corporations –  
Reporting Requirement**

**SUPPORT**

SEIU Local 500 represents over 20,000 working people in Maryland, Washington D.C., and Virginia. Our union represents the support staff at the Montgomery County Public School system, Family Child Care Providers, Faculty and Staff at several Maryland colleges and universities, staff at non-profits and many other working people across the region. **We urge a favorable report on House Bill 39 as Amended.**

SEIU Local 500 supports proposals focused on eliminating loopholes and tax breaks that benefit special interests and fixing our upside-down tax code, which allows the wealthiest individuals to pay the smallest share of their income in state and local taxes. We believe large, profitable corporations should pay what they truly owe in taxes and not expect working families to continue to subsidize more than their share of taxes that support our roads, schools, and infrastructure.

Maryland's current statutory tax rate for corporations is 8.25%. However, the reality is that most large, multi-state corporations actually pay a far lower effective tax rate – the percentage of their total income they are paying in taxes. This is due to the special tax breaks and loopholes inserted into our tax system by special interest groups. Multistate and multinational corporations operating within Maryland can use tax-avoidance strategies to limit their tax responsibility in Maryland. This comes at the cost of public investments like transportation, education, and healthcare.

While we know, based on past data a legislator has requested from the Maryland Comptroller's Office, that year after year about one-third of the largest corporations doing business in Maryland pay zero income taxes. HB 39 would increase transparency by requiring regular annual reports from the Comptroller to the Governor and the General Assembly about the number of large corporations that pay no state income tax each year. This could ultimately inform future policy changes that would make Maryland's tax code more effective and equitable.

**Therefore, we urge a favorable report on HB 39**

**Service Employees International Union, Local 500, CtW, CLC  
901 Russell Avenue, Suite 300, Gaithersburg, MD 20879  
301-740-7100 [www.seiu500.org](http://www.seiu500.org)  
Pia Morrison, President**