



LEGISLATIVE POSITION:

Favorable

House Bill 551 - Broadband Expansion Incentive Act of 2023

House Ways and Means Committee

Thursday, February 16, 2023

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 6,400 members and federated partners working to develop and promote strong public policy that ensures sustained economic health and growth for Maryland businesses, employees, and families.

HB 551 provides for a subtraction modification under the Maryland income tax code for certain broadband grants and provides a sales tax exemption for certain equipment that serves to provide internet service and deploy broadband across the state.

Depending on the standard used, the Maryland Department of Planning reports that somewhere between 15-20% of Maryland households lack access to high speed internet. Using the FCC standard, this figure rises to 36% of Maryland households that lack access to broadband services.

Under the current cost and market structure, Maryland's broadband providers do not have the resources necessary to expand their services to areas across the state that lack economically viable population density. This lack of connectivity to underserved areas of Maryland is detrimental to our state's capacity for comprehensive economic growth and limits the potential for dynamic entrepreneurial activity in all corners of the state. Access to functional and affordable internet service is vital to a thriving state economy and an educated workforce, both of which have become glaring challenges since the COVID-19 pandemic.

The Maryland Chamber of Commerce believes that investing in widespread broadband is an essential part of Maryland ensuring it has the necessary digital infrastructure that can support a competitive 21st-century business environment. HB 551 is a critical step towards ensuring that broadband providers across the state will have the necessary economic incentive to expand the reach of their services.

For these reasons, the Maryland Chamber of Commerce respectfully requests a **Favorable Report** on **HB 551**.