



MARYLAND LEGISLATIVE LATINO CAUCUS

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TO: Delegate Vanessa E. Atterbeary, Chair
Delegate Jheanelle K. Wilkins, Vice Chair
Ways and Means Committee Members
FROM: Maryland Legislative Latino Caucus
DATE: February 7, 2023
RE: HB0142 More Local Tax Relief for Working Families Act of

2023

The MLLC supports HB0142 More Local Tax Relief for Working Families Act of 2023

The MLLC is a bipartisan group of Senators and Delegates committed to supporting legislation that improves the lives of Latinos throughout our state. The MLLC is a crucial voice in the development of public policy that uplifts the Latino community and benefits the state of Maryland. Thank you for allowing us the opportunity to express our support of HB0142.

Too many Marylanders, and especially Latino Marylanders, are being squeezed economically as the price of housing, groceries, and other essentials have increased dramatically. Meanwhile, the wealthiest 1% of Marylanders continue to pay the smallest share of their income on state and local taxes. According to data collected by the Institute on Taxation and Economic Policy, on average, Latino families earn nearly \$18,000 less per year than their white counterparts, and the distributional impact of state and local tax systems based on income also have clear implications for wealth inequality among racial groups. State tax codes that worsen income inequality by taxing lower-income people at higher rates than wealthy people. Hourly-wage workers, educators, nurses, researchers, and government employees pay a greater share of their income on taxes than millionaires do.¹ According to the U.S. Bureau of Labor Statistics, Maryland Latinos are overwhelmingly represented in these industries: 13.5% are employed in education and health, 9.7% are employed in public administration, 9.1% are employed in retail, 7.0% in leisure and hospitality, and 24.1% in construction.²

The “More Local Tax Relief for Working Families Act of 2023” enables legislation that will provide counties the ability to cut taxes on low and moderate incomes and to do so in a revenue neutral way. Maryland’s current cap of 3.2% has not been changed since 2001, and 11 of Maryland’s counties are currently at the statutory cap. Without action by the legislature, these jurisdictions cannot provide targeted tax cuts without reducing county revenues. HB0142 raises the statutory cap on local income tax rates from 3.2% to 3.7%, enabling more counties the ability to cut local income taxes on low and moderate incomes and to do so in a revenue neutral way.

For these reasons, the Maryland Legislative Latino Caucus respectfully requests a favorable report on HB0142.

¹[Who Pays? A Distributional Analysis of the Tax Systems in All 50 States \(No. 6\). \(2018\). Institute on Taxation and Economic Policy \(ITEP\).](#)

²[Geographic Profile of Employment and Unemployment, 2021. \(n.d.\). Home: U.S. Bureau of Labor Statistics.](#)