



**Testimony in SUPPORT of HB 39  
Chairman Atterbeary  
House Ways & Means Committee**

Maryland Rise is a non-partisan not-for-profit organization working to promote economic opportunity for all Marylanders, not just the wealthy and well-connected. We are testifying today in support of HB 39 because **corporations need to be held accountable for their attempts to avoid taxation in our state.**

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 data 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, we don't know why that is. And for those two-thirds that are paying taxes, the public information currently available sheds no light on whether they are paying something close to the statutory rate or something far lower. **Maryland has failed to close two major corporate tax loopholes that most other states have closed,** but it is challenging to assess the true cost to the state because we have limited information about corporations' overall profits.

HB 39 would provide more information about the actual tax rate corporations are paying in Maryland and help ensure that state policies are asking corporations to pay what they truly owe in taxes to support the public services they benefit from.

**For these reasons Maryland Rise urges a favorable report on HB 39**