

MARYLAND FAIR FUNDING COALITION

Testimony in Support of HB 191 Del. Vanessa Atterbeary, Chair House Ways & Means Committee

The Maryland Fair Funding Coalition is a coalition of more than 30 organizations across the state that are committed to creating a fair and equitable tax system that supports the public services families and communities need to thrive.

The coalition 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.

Our coalition supports HB 191, which closes a tax loophole created by the 2017 Trump tax bill that effectively rewards businesses that have violated civil or criminal laws by giving them a tax deduction.

Former President Trump's signature 2017 tax overhaul included a number of new tax breaks that exclusively benefitted the powerful and well-connected, particularly large businesses. These tax breaks were automatically incorporated in Maryland law without any say by Maryland lawmakers. HB 191 would decouple Maryland's tax code from a provision that allows a business owner to deduct the cost of restitution payments, such as paying into a victims fund, or expenses related to coming into compliance with the law from their income taxes.

Public opinion polling consistently shows that most Marylanders understand our state tax code is set up to benefit the wealthy and powerful corporations over working families and small businesses. Policies like the one addressed in HB 191 erode confidence public in our tax system and undermine the pride that most people feel in contributing to their communities through taxes.

It is time for every Maryland resident and business to pay their fair share of taxes, especially when critical state needs remain unmet. With a wide range of state services stretched thin, the best way to support families, local businesses, and a healthy economy is to reform Maryland's tax code to make it more effective and equitable.

Therefore, we urge a favorable report on House Bill 191