



Testimony on behalf of the Greater Bethesda Chamber of Commerce

*In Opposition to
House Bill 39—Effective Corporate Tax Rate Transparency Act of 2023*

*February 2, 2023
House Ways and Means Committee*

The Greater Bethesda Chamber of Commerce (GBCC) was founded in 1926. Since then, the organization has grown to more than 550 businesses located throughout the Greater Bethesda area and beyond. On behalf of these members, we appreciate the opportunity to provide written comments on House Bill 39—Effective Corporate Tax Rate Transparency Act of 2023

House Bill 39 would require publicly traded corporations or subsidiaries of publicly traded corporations to disclose their effective corporate tax rate. In a confidential statement, a corporate entity must provide an itemized explanation for the calculation of their tax rate. This includes a comparison of the effective tax rate of the corporation both before and after application of any credits, deductions, subtraction modifications or other adjustments. While we appreciate the intent for transparency, collecting and reporting this detailed information would be an onerous one for a company. In addition, this information does not provide any real insight into assessing the effectiveness of the State's corporate tax structure.

For these reasons, we would respectfully request a unfavorable vote on House Bill 39. Thank you for the opportunity to provide written comments.