

MARYLAND FAIR FUNDING COALITION

Testimony in Support of HB 337 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 337, which closes several corporate tax loopholes created by the 2017 Trump tax bill and takes steps to ensure that Maryland taxes income earned from wealth more like it taxes income earned through work.

Former President Trump's signature 2017 tax overhaul included several new tax breaks that exclusively benefit large multinational corporations. These tax breaks were automatically incorporated in Maryland law without any say by Maryland lawmakers. Provisions of HB 337 would remove these provisions from our state tax code and help ensure these profitable businesses are paying what they truly owe in state taxes.

HB 337 would also offset the federal government's special treatment of income earned from investments in the stock market and real estate trusts. Charging a lower tax rate on this income the wealthy few are able to earn from wealth than what most Marylanders pay on the income they earn from working allows wealthy investors to avoid paying their fair share of taxes on their income. It is also a driver of racial and ethnic inequality because the wealthiest 10% of white households controls nearly two-thirds of wealth nationwide.

It is time for every Maryland resident 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 337