

MARYLAND FAIR FUNDING COALITION

**Testimony in Support of HB 148
Delegate 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 148, which would place reasonable limits on the tax breaks provided to businesses through the state's Enterprise Zone program.

Maryland's economy is built on the foundation of our shared investments—things like quality health care, strong public schools, and reliable transportation networks. Surveys consistently find that these assets are among the most important factors business leaders consider when deciding where to start and grow a business. Individuals and businesses alike help maintain these investments through our taxes, but ineffective subsidy programs allow some businesses to reduce or eliminate their responsibility to help pay for the services they benefit from.

HB 148 would take several important steps to improve the targeting of the Enterprise Zone program and help to rein in its growth. It would ensure that future tax credits provided through the program go to businesses choosing to locate in areas of the state truly in need of investment due to factors like high poverty, high unemployment, or significant amounts of vacant commercial property. It also would place reasonable limits on the amount of tax credits that can go to one business.

Since it was created, the Enterprise Zone Tax Credit has cost state and local governments hundreds of millions of dollars, making it one of the state's largest business subsidy programs. HB 148 will reform the Enterprise Zone program and ensure that our shared resources are used to benefit Maryland communities and not already successful businesses receiving the subsidy.

Our coalition urges our legislators to commit to Maryland families and the future of our economy by supporting measures like HB 148 that rein in business tax credit programs' growth and ensure we can support the public services that allow communities and businesses to grow and thrive together.

Therefore, we urge a favorable report on HB 148