

MARYLAND FAIR FUNDING COALITION

Testimony in Support of HB 142
Delegate Vanessa Atterbeary, Chair
House Ways and 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 142, which would expand the range of options available to local policymakers to raise to maintain effective and equitable revenue systems.

Today, the wealthiest 1 percent of Maryland households pay a smaller share of their income in state and local taxes than the rest of us do. HB 142 would make our tax code more balanced by granting local governments the ability to raise revenue for local needs in the most equitable manner possible.

Local property taxes fall disproportionately on low- and moderate-income households, who pay a much greater share of their income in local property taxes than the wealthiest households, either through higher rents or as homeowners. A graduated income tax would be the most effective way for local governments to raise needed revenue in an equitable manner.

HB 142 allows local governments to slightly increase their top income tax rate for those who are most able to pay while lowering taxes for lower-income households. This additional flexibility will give local governments more options for funding essential local services in the most equitable way possible.

Therefore, we urge a favorable report on HB 142