



A Union of Professionals
AFT-Maryland

5800 Metro Drive, Suite 100 • Baltimore, MD 21215-3226
410/764-3030 • fax: 410/764-3008
md.aft.org

Kenya Campbell
PRESIDENT

LaBrina Hopkins
SECRETARY-TREASURER

**Written Testimony before the Senate Budget and Taxation Committee
SB 240 - Income Tax – Out-of-State Taxes Paid by Pass-Through Entities –
Addition Modification
February 1, 2023**

SUPPORT

Chair Guzzone and members of the Committee, on behalf of AFT- Maryland's more than 20,000 state, municipal, and public education workers, we ask for a favorable report on SB 240.

Maryland's tax system is full of loopholes and special tax breaks that primarily benefit large corporations and the ultra-rich at the expense of small businesses and low and middle-income families. Our inequitable tax code is not sustainable to provide the state with adequate resources to fund all the services we need and rely on, like schools, public health, transportation, and environmental protections.

The state legislature must act to ensure Maryland can sustain vital public services, meet the needs of families and small businesses struggling because of the coronavirus pandemic and ensure schools have the resources to adapt to a new learning environment.

Large, multi-state and multinational corporations can take advantage of accounting gimmicks to avoid their tax responsibilities. This gives them a substantial advantage over small, Maryland-based businesses who pay their fair share in taxes.

This legislation would close loopholes that shield some corporate profits from taxation. Maryland's corporate income tax is calculated using a formula intended to measure the portion of a corporation's business activities that occur in Maryland.

It is for these reasons that we ask the committee give a favorable report to SB 240.

Thank you.