



# MARYLAND STATE & D.C. AFL-CIO

AFFILIATED WITH NATIONAL AFL-CIO

7 School Street • Annapolis, Maryland 21401-2096

Balto. (410) 269-1940 • Fax (410) 280-2956

*President*

**Donna S. Edwards**

*Secretary-Treasurer*

**Gerald W. Jackson**

**SB 733 - Task Force to Study Transparency in Tax Incentives  
Senate Budget & Taxation Committee  
February 14, 2024**

**SUPPORT WITH AMENDMENT**

**Donna S. Edwards  
President  
Maryland State and DC AFL-CIO**

Chairman and members of the Committee, thank you for the opportunity to provide testimony in support of SB 733 - Task Force to Study Transparency in Tax Incentives. My name is Donna S. Edwards, and I am the President of the Maryland State and DC AFL-CIO. On behalf of the 300,000 union members in the state of Maryland, I offer the following comments.

SB 733 requires the State Department of Assessments and Taxation (SDAT) to study the effectiveness and performance of current tax incentives offered by Maryland. SB 733 injects sunlight into an opaque process and finally allows legislators to understand the ways that our tax incentives interact with state revenues and economic outcomes.

Despite strong support for the aims and purpose of this bill, which seem to largely focus on real estate and commercial development incentives, we believe that its scope of what it defines as a tax incentive is too narrow. SB 733 defines a tax incentive as tax increment financing programs, payment in lieu of taxes (PILOT) funding, Enterprise Zone tax credits, and Brownfields Revitalization Incentive programs. All of these programs are viewed by businesses as part of their economic calculations when making investments, but these just factor into the real estate part of the equation.

Maryland also offers multiple tax incentives that are directly tied to job creation and workforce investments. These programs have limited accountability and reporting. These tax credits require robust study and transparency. We believe that the study should be comprehensive and review all business income tax credit programs dealing with job creation, like the Small Business Relief Tax Credit, Job Creation Tax Credit, Community Investment Tax Credit, Businesses That Create New Jobs Tax Credit, Work Opportunity Tax Credit, One Maryland Economic Development Tax Credit, and More Jobs for Marylanders Tax Credit.

Any study of tax incentives would be incomplete without the full picture of the effectiveness of all these programs. Legislators and taxpayers deserve to know if these incentives truly lead to good paying sustainable jobs that grow our local and state economies.

To this end, we urge the committee to adopt the following amendment:

*Adding the following text to Page 1 after Line 16, moving all subsequent text down.*

- “(5) Small Business Relief Tax Credit as listed on Maryland Tax Form 500CR;*
- (6) Job Creation Tax Credit as listed on Maryland Tax Form 500CR;*
- (7) Community Investment Tax Credit as listed on Maryland Tax Form 500CR;*
- (8) Businesses That Create New Jobs Tax Credit as listed on Maryland Tax Form 500CR;*
- (9) Work Opportunity Tax Credit as listed on Maryland Tax Form 500CR;*
- (10) One Maryland Economic Development Tax Credit as listed on Maryland Tax Form 500CR;*
- (11) More Jobs for Marylanders Tax Credit as listed on Maryland Tax Form 500CR;”*

We urge a favorable report with the amendments we recommended on SB 733.