



MARYLAND TECH COUNCIL

TO: The Honorable Guy Guzzone, Chair
Members, Senate Budget and Taxation Committee
The Honorable Shelly Hettleman

FROM: Andrew G. Vetter
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DATE: February 21, 2024

RE: **OPPOSE** – Senate Bill 766 – *Fair Share for Maryland Act of 2024*

The Maryland Tech Council (MTC) submits this letter of **opposition** for *Senate Bill 766: Fair Share for Maryland Act of 2024*. We are a community of nearly 800 Maryland member companies that span the full range of the technology sector. Our vision is to propel Maryland to become the number one innovation economy for life sciences and technology in the nation. We bring our members together and build Maryland's innovation economy through advocacy, networking, and education.

This bill makes numerous changes to the Maryland tax code that would result in an increased tax burden on individuals and businesses. Among those changes are a requirement for corporations to base their Maryland income tax pursuant to the "combined reporting" method. The MTC's primary concern with this proposal is that it would put Maryland at a competitive disadvantage. Surrounding states, including Virginia, Pennsylvania, and Delaware – do not have combined reporting. Alternatively, policymakers should be looking for ways to grow our economy. As illustrated by the Comptroller's recent State of the Economy Report, Maryland suffers from stagnant gross domestic product growth, limited labor supply, and net migration outflow. A basic step to reverse this trajectory is to not take additional actions that make it harder to do business in Maryland. The tax proposals contained within this proposal make Maryland less attractive to do business. For these reasons, we urge an unfavorable report.