



THE SENATE OF MARYLAND
Annapolis, Maryland 21401

Testimony of Senator Jill P. Carter
In Favor of SB0733 – Task Force to Study Transparency in Tax
Incentives
On February 14th, 2024

Mr. Chairman, Vice Chair, and Members of the Committee:

The economic landscape of Maryland demands bold and proactive measures to bolster growth, attract investment, and enhance competitiveness in a way that benefits the entire state. Establishing a Tax Incentive Task Force is not just advisable; it's imperative. Maryland must seize the opportunity to harness the full potential of its tax incentives to drive sustainable development and foster an environment that allows businesses of all kinds to succeed in this state.

Tax incentives wield immense power in shaping economic behavior. They serve as critical tools to incentivize desired actions, whether it's revitalizing blighted areas, attracting high-growth industries, or paying the utility cost of sports stadiums. However, these tax incentives at the same time create strong opportunity costs that future generations will have to pay for. Marylanders have the right to know how these tax incentives will impact them and their children who will undoubtedly be the future generation most impacted by haphazard tax gifts.

The efficacy of these incentives hinges on their judicious design and implementation. A dedicated task force can meticulously evaluate the impact of existing incentives, identifying strengths, weaknesses, and areas for improvement. Furthermore, distorted evaluation processes across various tax incentive programs create inefficiencies and breed confusion.

A uniform, standardized evaluation framework is essential to ensure transparency, accountability, and equitable distribution of benefits. Without it, Maryland risks squandering resources on ineffective incentives or inadvertently favoring certain industries or regions over others. The urgency of this matter cannot be overstated. With neighboring states aggressively vying for businesses and investors, Maryland must sharpen its competitive edge. While at the same time paying close attention to the future impacts of giving away tax dollars in exchange for economic activity.

By mandating a Tax Incentive Task Force to submit its findings and recommendations by July 1, 2025, Maryland demonstrates its commitment to proactive governance and evidence-based policymaking. The future prosperity of the state hinges on its ability to adapt, innovate, and capitalize on opportunities. Now is the time for decisive action.

I urge this committee to give a favorable report on SB0054. Thank you for your time.

Respectfully,

Jill P. Carter