



TESTIMONY TO THE SENATE BUDGET AND TAXATION COMMITTEE

SB 766 – Fair Share for Maryland Act of 2024

POSITION: Favorable

By: Linda Kohn, President

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Promoting a sound economy and maintaining an equitable and flexible system of taxation are among the League's basic principles. LWVMD's positions include support for: 1) a progressive tax system, and 2) an equitable and efficient fiscal structure. Through study and consensus, LWVMD adopted a position supporting a fiscal system that produces adequate and timely revenues to finance planned expenditures.

The combination of closing tax loopholes, increasing taxes on the wealthy, and enforcing our current tax laws will raise enough revenue to end the cycle of operating under structural fiscal deficits. We are continually forced to cut back on existing programs and never fully implement the educational and criminal justice reforms that research shows would yield better results than our current practices.

We can't grow our economy if we are cutting back on things like child care, community colleges, and transit service. Businesses – and the Maryland workers they employ – value these services. It is only fair that the largest corporations pay their share, just like our Maryland small businesses already do. [Polling](#) conducted by [Hart Research](#) in October of 2023 found that 64% of Marylanders surveyed believe that our tax system is unfair and three out of four said it is important that wealthy individuals pay their fair share. 79% support closing loopholes that allow many of the largest corporations operating here to shift their profits to tax havens, giving them an unfair advantage over Maryland's small businesses, which are the backbone of our economy. Maryland needs to catch up with the majority of states, which have already closed these loopholes.

One of the great contributors to the wealth gap in our state and in the nation, is the ability pass millions of dollars from one generation to the next with little tax consequence. The Fair Share Plan offers proposes returning the estate tax exemption to \$2,000,000. Heirs can still inherit much larger sums than that, but they will need to pay some tax on it.

The Fair Share Plan increases taxes on the very wealthy who pay a smaller share of their income than middle- and lower-income workers. It also expands the child tax credit which is an important tool to achieve of the Governor's of ending child poverty. We often hear that Maryland is a high tax state - yet if you add up all of the taxes and fees charged in Maryland and compare that to the total taxes and fees paid by individuals in other states, Maryland falls right in the middle as the 25th highest out of 50 states and the District of Columbia.¹

Our leaders in the House and Senate as well as our Governor have bold visions for improving the future of all residents in Maryland. However, if we don't get realistic about how to pay for that future those visions will never be realized.

We urge a favorable report on HB 1007.

¹ Source: [Tax Policy Center](#) FY2021 State and Local Finance Data