

**Written Testimony Submitted to the Maryland Senate Budget & Taxation Committee
SB 766 - Fair Share for Maryland Act of 2024
February 21, 2024**

SUPPORT

Chair Guzzone and members of the Committee. AFT-MD asks for a favorable report on SB 766, a comprehensive bill that represents a critical step towards ensuring fairness, equity, and sustainability in our state's tax system.

As Maryland faces revenue short-falls, AFT-MD is very concerned that once again, the burden of balancing the budget will be placed on the state workers. Our members have endured furloughs, increased costs of benefits, staffing shortages, low-pay, and loss of their retiree prescription plan. It would be wrong to ask them for additional sacrifices when the wealthiest and corporations in Maryland are not even asked to pay their fair share, while taking advantage of all this state offers them.

We commend the bill's provisions for altering the State income tax rate on taxable income for certain individuals and imposing an additional State individual income tax rate on net capital gains. These measures demonstrate a commitment to progressive taxation, ensuring that those with higher incomes contribute their fair share to support essential public services and initiatives.

Furthermore, the bill's expansion of eligibility for the Maryland earned income tax credit is a much needed effort to provide support to individuals without children. By adjusting income thresholds and phase-out amounts and indexing them to inflation, the bill ensures that the credit remains effective in lifting working families out of poverty and promotes economic security.

The bill includes corporate income tax reform that requires corporations to compute Maryland taxable income and allows for the filing of combined income tax returns for certain groups of corporations. These measures aim to enhance tax compliance, reduce complexity, and level the playing field for all businesses operating in the state.

We urge the Committee to support this bill for the betterment of our state and its residents.
Thank you.

