



Testimony on behalf of the Greater Bethesda Chamber of Commerce

*In Opposition to
House Bill 470—County Income Tax—Rate and Income Brackets--Alterations*

*February 8, 2024
House Ways and Means Committee*

The Greater Bethesda Chamber of Commerce (GBCC) was founded in 1926. Since then, the organization has grown to more than 550 businesses located throughout the Greater Bethesda area and beyond. On behalf of these members, we appreciate the opportunity to provide written comments on House Bill 470—County Income Tax—Rate and Income Brackets--Alterations.

House Bill 470 would allow counties to impose a higher maximum tax rate on an individual's Maryland taxable income, from 3.2% to 3.7%. Simply put, we are particularly concerned with measures, taxation and otherwise, that create or exacerbate disparities between Montgomery County and surrounding counties or Montgomery County and the state of Maryland with northern Virginia. Such a disparity is sure to have a negative impact on economic development efforts as it would make us less competitive with surrounding counties who do not adopt the higher tax rate and certainly with the state of Virginia, who we compete with for economic development dollars on a regular basis. In addition, while this bill stipulates that it is the intent of the General Assembly that revenue attributable to a county income tax rate in excess of 3.2% be used for funding public education and transportation, this is not guaranteed.

For these reasons, we would respectfully request a unfavorable vote on House Bill 470. Thank you for the opportunity to provide written comments.

