

MARYLAND FAIR FUNDING COALITION

Testimony in Support of HB 454

Disclosure of Tax Information – Tax Compliance Activity and Binding Data Use Agreements

House Ways and Means Committee

February 8, 2024

The Maryland Fair Funding Coalition is a coalition of more than 30 organizations across the state that are committed to creating a fair and equitable tax system that supports the public services families and communities need to thrive.

The Maryland Fair Funding Coalition supports HB 454, which allows the Comptroller’s office to enter into data sharing agreements to assist the compliance division with complex audit activities so that the state can close the gap between taxes that are owed and taxes that are paid. HB 454 also puts protections in place to safeguard confidential tax information.

HB 454 strives to help Maryland close our tax gap, ultimately making our tax system and compliance thereof fairer and more equitable. The Fair Funding Coalition supports proposals – like HB 454 - that are focused on eliminating loopholes, breaks, and gaps that benefit special interests, as well as fixing our upside-down tax code, which allows the wealthiest individuals to pay the smallest share of their income in state and local taxes. As taxes have become increasingly complicated, allowing the state to enter into data-sharing arrangements with partner organizations that have expertise in tax compliance will level the playing field so that all Marylanders are paying their fair share.

By bringing in additional revenue, HB 454 will help Maryland meet its budgetary obligations at an especially crucial time given the State is facing large structural deficits in the coming years. When individuals and businesses fail to accurately pay the taxes they owe – intentionally or accidentally – it reduces the state’s ability to fund all the vital services that Marylanders use and rely on. If the Comptroller’s office can recover more of the taxes that are owed to the state, Maryland can meet its fiscal obligations and fund the investments necessary to support thriving families and communities.

For these reasons, the Fair Funding Coalition urges a favorable report on House Bill 454.

Submitted by: Lisa Klingenmaier, Campaign Manager of the Fair Funding Coalition.

lisa@marylandrise.org