



Testimony in Support of Senate Bill 766 Fair Share for Maryland Act of 2024

Senate Budget and Taxation Committee
February 21, 2024

Maryland Rise strongly supports SB 766, which makes Maryland’s tax system fairer by closing corporate tax loopholes, fixing the estate tax on millionaires, adding new tax brackets for the top 1% of Marylanders, expanding working family tax credits, and cracking down on tax fraud.

SB 766 will raise much needed revenue – an estimated \$1.6 billion a year – so that the state can invest in and expand critical resources and infrastructure that support Maryland families and communities. Maryland is facing a significant budget shortfall in the current and future fiscal years, jeopardizing the funding for important programs and departments, from education to transportation to resources for low-income families. As it stands, there are harmful proposed cuts and cost-cutting measures in the FY 2025 budget including cuts to community colleges, proposed waitlists for the Child Care Scholarship program, and a rollback in protections for individuals who are victims of EBT card theft. Rather than cutting vital resources to balance the budget and making impossible choices about which priorities to fully fund, the state can instead raise revenue to fund all the priorities in our state’s budget and grow our economy for everyone.

Marylanders support closing corporate tax loopholes and passing tax reforms to ensure the top 1% of wealthy households in the state pay their fair share in taxes. A poll conducted by Hart Research in the Fall of 2023 found that Maryland voters were in favor of the key components of the Fair Share Maryland Act. “Closing corporate tax loopholes” was rated as extremely or very important by 77% of those surveyed, and held strong across all demographics.¹ There are similar robust levels of support for many elements of the Fair Share Maryland Act with several scoring 80% or higher in favorability, including expanding tax credits for working families and establishing a slightly higher tax bracket on the income of millionaires.² Maryland voters support raising revenue to fund state priorities and programs, and the Fair Share Maryland Act received an overwhelmingly positive response by a 3-to-1 ratio across all voters. The survey also found 64% of Marylanders believe the tax system is unfair, and more than three out of four surveyed said it was important for the state to make sure wealthy individuals pay their fair share. Now is the time – and Maryland voters are ready – to raise the revenue the state needs to fully fund the programs Maryland families rely on.

The Fair Share Maryland Act will tackle the racial wealth gap by reforming our antiquated tax system. The bulk of the tax cuts in the Fair Share Maryland Act go to the bottom 40% of households – those with incomes below \$64,300 – with the highest percentage going to Black (average tax cut of \$285) and Hispanic (average tax cut of \$266) households. The inequities in our tax system, which

¹ Hart Research. October 2023. *Statewide Survey on Maryland’s Budget Situation*. Conducted for the Fair Funding Coalition. <https://fairsharemaryland.org/polling/>

² Ibid.



allow 1/3rd of the largest corporations in Maryland to pay *zero* income taxes in a typical year, fall disproportionately on working families and small businesses. The Fair Share Maryland Act provides much-needed reform to Maryland's tax system by closing corporate loopholes and removing the unfair tax burden that has been placed on low- and middle-income taxpayers by making wealthy Marylanders pay their fair share.

Maryland Rise appreciates your consideration and urges the committee to issue a favorable report on SB 766.

Submitted by: Lisa Klingenmaier, Executive Director

Maryland Rise works to promote economic opportunity for all Marylanders.