

January 22, 2025

The Honorable Guy Guzzone
Senate Budget & Taxation Committee
Miller Senate Office Building,
22 West 11 Bladen St.
Annapolis, MD, 21401

RE: Opposition SB59 - Income Tax - Resident

Dear Chair Guzzone:

The Maryland Building Industry Association, representing 100,000 employees statewide, appreciates the opportunity to participate in the discussion surrounding **SB59 Income Tax - Resident**. MBIA **Opposes** the Act in its current version.

This bill would alter the definition of "resident" under the Maryland income tax law to provide that an individual who maintains a place of abode in the State for more than 3 months, rather than 6 months, of the taxable year is a resident for income tax purposes whether or not the individual is domiciled in the State.

Currently, Maryland law defines a legal resident as someone who is domiciled in Maryland on the last day of the tax year. It also defines a legal resident as someone who has lived in Maryland for more than six months of the tax year and was physically present in the state for at least 183 days. Understanding the intent of the legislation is to widen the pool of people who would now be considered residents and be subject to being taxed on their income.

The industry is supportive of the intent to increase state revenue, however this legislation could unintended consequences such as dissuading people to reside in the state. Maryland has seen population growth stagnate, while neighboring states are seeing significant population growth. SB59 will not help to reverse that trend.

We again appreciate the opportunity to provide feedback, for more information about this position, please contact Lori Graf at 410-800-7327 or lgraf@marylandbuilders.org.

cc: Members of the Senate Budget & Taxation Committee