



MARYLAND STATE & D.C. AFL-CIO

AFFILIATED WITH NATIONAL AFL-CIO

7 School Street • Annapolis, Maryland 21401-2096

Balto. (410) 269-1940 • Fax (410) 280-2956

President

Donna S. Edwards

Secretary-Treasurer

Gerald W. Jackson

SB 859 - Fair Share for Maryland Act of 2025 Senate Budget and Taxation Committee March 5, 2025

SUPPORT

**Donna S. Edwards
President**

Maryland State and DC AFL-CIO

Chairman and members of the Committee, thank you for the opportunity to submit testimony in support of SB 859. My name is Donna S. Edwards, and I am the President of the Maryland State and District of Columbia AFL-CIO. On behalf of Maryland's 300,000 union members, I offer the following comments.

Maryland has a structural revenue problem that must be met with a comprehensive and fair proposal. HB 859 aims to reform our state's unfair tax system and raise at least \$1.6 billion in additional revenue by closing corporate and LLC tax loopholes, adding a new 7% state income tax bracket for millionaires, taxing capital gains with a 1% surtax, and removing the 2014 exemption on estate taxes for multi-millionaires. These proposals combine to raise substantial revenue while making the state's tax system more equitable for working families and small businesses in Maryland.

Currently, our state faces a nearly \$3 billion budget shortfall, which is projected to grow to \$6 billion by 2030. This legislation proposes a number of measures that will benefit Maryland residents and balance out our economy.

This legislation would:

- Adjust exemption on estate taxes. This ensures the wealthiest estates are contributing their fair share.
- Impose a business transportation fee equal to 2.5% of the amount of the corporation's Maryland taxable income or income that exceeds \$10,000,000. This revenue would help to support the Transportation Trust Fund (TTF)

- Set new individual income tax rates for those making over \$250,000 while altering individual income tax credits.
- Require worldwide combined reporting.
- Implement the “throwback” rule.
- Establish a surtax on pass-through entities.
- Incorporate cost-of-living adjustments into tax calculation.
- Expand the Child Tax Credit to \$750 per young child and \$500 per older child.

SB 859 prioritizes raising revenue from those that can afford it most and expands programs for those that need it most. Maryland needs a Fair Share Plan. Waiting on important funding and revenue questions until the crisis is here is not an option. For these reasons, we strongly urge a favorable vote on SB 859.