



House Bill 554

Position: Unfavorable

Committee: House Economic Matters

Date: February 26, 2025

Founded in 1968, the Maryland Chamber of Commerce (Maryland Chamber) is a statewide coalition of more than 7,000 members working to develop and promote strong public policy that ensures sustained economic growth and opportunity for all Marylanders.

As introduced, House Bill 554 (HB 554) would make four primary changes to Maryland's unemployment insurance program:

1. Raising the taxable wage base used to determine employer contributions into the Unemployment Insurance Trust Fund from \$8,500 to 20% of the state average annual wage (~15,000) - an increase of about 76%.
2. Raising the minimum and maximum weekly benefit amounts to 15% and 50% of the state average weekly wage, respectively.
3. Increasing the dependent allowance from \$8 to \$25 per dependent and attaching it to inflation.
4. Attaching the \$50 earnings deduction to inflation.

The proposals in HB 554 make significant changes to the state's unemployment insurance program and businesses are rightfully concerned by those leading to increased costs on employers. To put some of the proposals in context, the required **increase in employer contributions would nearly double the UI tax burden on businesses** by 2028, nearly double the state's maximum weekly benefit amount and increase the minimum weekly benefit amount by six times the current minimum.

Contemplating such a large-scale change requires a deeper conversation with all stakeholders and goes beyond the work that can be done in the remaining time of the legislative session.

For these reasons, the Maryland Chamber of Commerce respectfully requests an **unfavorable report** on HB 554.