



**House Bill 554 -- *Unemployment Insurance Modernization Act of 2025***  
**House Economic Matters Committee**  
**February 26, 2025**  
**Oppose**

The Montgomery County Chamber of Commerce (MCCC), the voice of business in Metro Maryland, opposes House Bill 554 -- *Unemployment Insurance Modernization Act of 2025*.

House Bill 554 changes the methodology to calculate unemployment insurance benefits and alters the taxable wage base used to determine employer contributions to the Unemployment Insurance Trust Fund.

One of the major cost challenges for businesses in Maryland is high unemployment insurance taxes. High unemployment insurance costs increase financial burden on employers, which reduces the amount of capital available for other critical areas such as wages, benefits, and investments in growth and innovation. These high costs also reduce competitiveness, as businesses may find it less attractive to operate in the higher-cost state. Additionally, small businesses are often disproportionately affected by high unemployment insurance costs, making it harder for them to grow and thrive.

This legislation aims to widen the gap between Maryland and its neighboring and competitive states in terms of unemployment insurance costs. Rising unemployment insurance costs could place additional pressure on the business community, especially small and medium-sized enterprises. It is crucial for Maryland to stay competitive to foster economic growth and create quality jobs.

**For these reasons, the Montgomery County Chamber of Commerce opposes House Bill 554 and respectfully requests an unfavorable report.**

*The Montgomery County Chamber of Commerce (MCCC), on behalf of its members, champions the growth of business opportunities, strategic infrastructure investments, and a strong workforce to position Metro Maryland as a premier regional, national, and global business location. Established in 1959, MCCC is an independent, non-profit membership organization.*

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