



House Bill 1014 -- *Fair Share for Maryland Act of 2025*
House Ways and Means Committee
February 20, 2025
Oppose

The Montgomery County Chamber of Commerce (MCCC), the voice of business in Metro Maryland, opposes House Bill 1014 -- *Fair Share for Maryland Act of 2025*.

MCCC is extremely concerned about House Bill 1014 and the uncompetitive nature of the tax increases it proposes. In particular, the proposed implementation of combined reporting is a major concern because of its adverse impact on Maryland's business competitiveness. MCCC cites the recommendations of the Maryland Business Tax Reform Commission (MBTRC), which was created to review and evaluate the State's business tax structure. The Maryland General Assembly explicitly directed MBTRC to review whether to implement combined reporting. In its 2010 recommendations, the MBTRC recommended against combined reporting in Maryland. The Commission's final report explained its reasoning in rejecting combined reporting due to the following:

- **Complexity** – combined reporting is a complex change for taxpayers, tax preparers, and the Comptroller's Office.
- **Shift of Tax Burden** – combined reporting shifts the tax burden, substantially in some cases, among industries and among taxpayers, resulting in winners and losers.
- **Unnecessary** – many of the tax avoidance measures which combined reporting is intended to prevent have already been addressed by the State through the Delaware holding company add back, the captive real estate investment trust (REIT) legislation, and other measures.
- **Increased Volatility** – a Comptroller's study of corporate returns indicated that combined reporting would lead to increased volatility in corporate income tax revenues, already one of the State's most volatile revenue sources.

Later, in 2015, the Maryland Economic Development and Business Climate Commission, also known as the Augustine Commission, issued a report recommending against the adoption of combined reporting. The report stated that combined reporting "...can create revenue volatility and winners and losers among corporate taxpayers." The report added that, "Combined reporting can also lead to additional litigation from taxpayers and create additional administrative costs for both taxpayers and the state."

For these reasons, the Montgomery County Chamber of Commerce opposes House Bill 1014 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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