



MARYLAND SOCIETY OF ACCOUNTING AND TAX PROFESSIONALS

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February 13, 2025

The Honorable Members of the Ways and Means Committee
Maryland House of Delegates House Office Building, Room 131
6 Bladen Street
Annapolis, MD 21401

Re: Opposition to House Bill 1390 - Income Tax – Subtraction Modification – Losses From Theft or Fraud

Dear Chair and Members of the Committee:

The Maryland Society of Accounting and Tax Professionals, Inc. (MSATP) represents the voices of over 2,000 tax and accounting professional members. Our members, who are tax and accounting professionals, serve over 700,000 Maryland residents.

While we recognize the well-intentioned nature of House Bill 1390, we must oppose this legislation due to several significant concerns regarding its implementation and potential consequences. The requirement for police report documentation, while seemingly straightforward, creates practical challenges as many modern fraud schemes are complex and cross jurisdictional boundaries, making it difficult to obtain appropriate documentation. Additionally, the bill's definition of "personal casualty loss" is overly broad and could lead to inconsistent application and potential abuse. Our members have expressed serious concerns about the administrative burden this would place on tax preparers and the Comptroller's office in verifying and processing these claims. The complexity of coordinating this state-level subtraction with federal tax treatment, particularly regarding the timing of losses and recovery of funds, could create significant compliance challenges. Furthermore, the fiscal impact on Maryland's budget could be substantial and unpredictable, as the volume and value of qualifying losses could vary significantly from year to year.

We believe a more targeted approach, perhaps through existing consumer protection mechanisms or direct victim assistance programs, would be more effective in helping fraud victims while maintaining the integrity and simplicity of our tax system.

Respectfully submitted,

Giavante' Hawkins

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