

January 30, 2025

The Honorable Vanessa E. Atterbeary
Chair, Ways and Means Committee
130 Taylor House Office Building
Annapolis, Maryland 21401

RE: Letter of Opposition HB183 - Income Tax - Resident

Dear Chair Atterbeary:

The Maryland Building Industry Association, representing 100,000 employees statewide, appreciates the opportunity to participate in the discussion surrounding **HB183 Income Tax - Resident**. MBIA **Opposes** the Act in its current version.

This bill would alter the definition of "resident" under the Maryland income tax law to provide that an individual who maintains a place of abode in the State for more than 3 months, rather than 6 months, of the taxable year is a resident for income tax purposes whether or not the individual is domiciled in the State.

Currently, Maryland law defines a legal resident as someone who is domiciled in Maryland on the last day of the tax year. It also defines a legal resident as someone who has lived in Maryland for more than six months of the tax year and was physically present in the state for at least 183 days. Understanding the intent of the legislation is to widen the pool of people who would now be considered residents and be subject to being taxed on their income.

The industry is supportive of the intent to increase state revenue, however this legislation could unintended consequences such as dissuading people to reside in the state. Maryland has seen population growth stagnate, while neighboring states are seeing significant population growth. HB183 will not help to reverse that trend.

We again appreciate the opportunity to provide feedback, for more information about this position, please contact Lori Graf at 410-800-7327 or lgraf@marylandbuilders.org.

cc: Members of the House Ways and Means Committee