



NFIB-Maryland – 60 West St., Suite 101 – Annapolis, MD 21401 – www.NFIB.com/Maryland

TO: House Ways & Means Committee

FROM: NFIB – Maryland

DATE: February 20, 2025

RE: **SUPPORT HOUSE BILL 1101** – Corporate Income Tax - Rate Reduction (Economic Competitiveness Act of 2025)

Founded in 1943, NFIB is the voice of small business, advocating on behalf of America's small and independent business owners, both in Washington, D.C., and in all 50 state capitals. With more than 250,000 members nationwide, and nearly 4,000 here in Maryland, we work to protect and promote the ability of our members to grow and operate their business.

On behalf of Maryland's small businesses, NFIB supports House Bill 1101 – legislation that reduces the state's corporate income tax rate from 8.25% to 6.25% by tax year 2028.

Many small businesses organize themselves as C-corps and pay the state's corporate income tax rate. Lowering the rate gradually is a critical step towards increasing the state's economic competitiveness.

Reducing corporate taxes will encourage investment in infrastructure, equipment, and, most importantly, employees. With more cash flow, business owners can offer raises to keep talented workers and hire additional staff to meet growing demand, ultimately boosting the economy.

Additionally, enhancing business competitiveness will draw companies from across the country and around the world to establish or expand in Maryland. This influx of innovative businesses creates new, high-quality job opportunities for our dedicated residents.

Lowering the corporate income tax rate and holding the line on potential increases to the personal income tax rate encourages investment in Maryland's economy. It also encourages businesses already incorporated here to expand their operations – adding jobs and increasing output.

For these reasons, **NFIB supports HB1101** and requests a favorable committee report.