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TESTIMONY ON HB#/1014 – FAVORABLE
Fair Share for Maryland Act of 2025

TO: Chair Atterbeary, Vice Chair Wilkins and members of the Ways and Means Committee
FROM: Richard Keith Kaplowitz

My name is Richard K. Kaplowitz. I am a resident of District 3. I am submitting this testimony in support of HB#1014, Fair Share for Maryland Act of 2024

My Jewish faith tells me (Proverbs 3:27) “Don’t withhold good from those to whom it is due, when it is in the power of your hand to do it”. Legislators, the power is yours to create income equality in Maryland that will benefit everyone, even those who will now be paying their fair share.

Maryland does not have enough money to pay for vital services and programs. Many wealthy individuals and corporations pay little to no state income taxes. The burden of supporting Maryland then falls on middle- or lower-income individuals and families. This inequality is benefiting the wealthy and corporations at the expense of everyone else in the state.

A study of the benefits of the bill indicates what it should contain and the revenues that will accrue to Maryland when implemented. This bill will require large multi-state corporations to pay their share of state tax through "combined reporting" and revising the "throwback rule" (est. \$135.4 million). It will close the pass-through LLC loophole (est. \$124 million). It will stop ineffective tax expenditures (est. \$617 million). The Fair Share for Maryland Act will restructure personal income tax brackets and rates (est. \$689 million).

The budget shortfalls affect every Marylander and the state and local governments abilities to meet the critical needs of our residents in every area – schools, transportation, climate protection, etc. This lack of tax revenue applied to the services these corporations use such as roads, fire and police protection, an educated workforce, etc. forces the state to tax citizens at the lower end of the income scale.

The Fair Share for Maryland Act (HB1014) will:

- Raise \$1.6 billion in revenue each year to support good schools, health care, transportation, and the state workforce needed to deliver high-quality services.
- Advance economic and racial justice by addressing aspects of Maryland's tax system that disproportionately benefit wealthy, white households at the expense of Marylanders of color.
- Expand working family tax credits, providing more support to hardworking families
- Cut taxes for more than 1 million Marylanders with a family income of \$106,000 or less. Boosting working families' incomes will reduce child poverty and strengthen our economy. We will meet your pledge to "leave no one behind!"
- Support local, Maryland-based businesses by ensuring a level playing field so that their large corporate competitors are also paying their fair share in state and local taxes.
- Close significant tax loopholes that LLCs, multi-state, and multinational corporations use to avoid paying state taxes. Most other states have addressed this to level the playing field for their small businesses.
- Ensure the wealthiest 1% of households in Maryland pay their fair share in taxes (those earning ~\$775,000/year or more). They would see an average increase of less than 1% of their income. This fixes our upside-down tax system by ensuring the wealthiest 1% of Marylanders contribute their fair share in taxes.
- The potential loss of Federal Government revenue if Maryland is penalized by the incoming administration for failure to hurt the groups (immigrants, women, LGBTQ) they want to hurt might need to be overcome by identifying these new revenue sources in Maryland
- The actions of the Federal Government on employees living in Maryland and the illegal seizure of funding by the Federal Government affecting Maryland's budget due to attendant loss of funds and state expenses to assist Marylanders impacted by those actions.
- Businesses will NOT leave/fail to expand/fail to come to Maryland
 - ✓ In fact, large corporations most often determine their location based on where they can host, attract, and retain a talented workforce. This is most significantly determined by the quality of life in the location, including schools, transportation, public safety, community resources, etc. These are all things that can only be made strong with sufficient tax revenue to pay for high quality public services and programs.

I respectfully urge this committee to return a favorable report and pass HB1014.