



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

TO: House Ways and Means Committee

FROM: NFIB – Maryland

DATE: January 30, 2025

RE: **OPPOSE HOUSE BILL 151** – County Income Tax – Rate and Income Brackets - Alterations

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 opposes House Bill 151 – legislation that increases the maximum income tax rate a county may impose on Maryland taxable income. The increase goes from 3.2% to 3.7%.

NFIB is concerned small business owners will see their local income taxes raised again on the heels of SB133/HB319 (2021). That legislation required all counties and the City of Baltimore to impose a minimum 2.25% local income tax on Maryland taxable income. Further, it set a maximum of 3.2%. According to the fiscal note for HB151, 10 counties and the City of Baltimore now impose the highest allowable tax rate. This legislation would let those jurisdictions go even higher making it less affordable for small businesses to operate in those areas. That would be to the detriment of consumers and clients in those communities.

Given Maryland's unique geography and compact size, HB470 will put small businesses in such counties at a competitive disadvantage to their neighbors, not just over state lines, but now over county lines.

NFIB strongly supported legislation in 2020 ([SB223](#)/[HB185](#)) establishing a commission to evaluate the State's tax systems and make recommendations to ensure Maryland's tax policy is competitive with surrounding jurisdictions and encourages business growth and job creation.

We encourage the General Assembly to revisit the idea of such a commission before passing legislation like HB151 which creates more of a financial web small business owners must work through to ensure they remain competitive and financially viable.

For these reasons, **NFIB opposes HB151** and request an unfavorable report.