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Testimony on House Bill 1014
Fair Share for Maryland Act of 2025
House Ways and Means Committee

Position: Favorable

Maryland Nonprofits strongly urges your support for the Fair Share for Maryland Act of 2025. This bill will create a fairer tax system, provide critical revenue to meet our state's commitments and deliver relief to low-income and working families through expanded child tax credits and earned income tax credits.

Maryland Nonprofits represents 40,000 nonprofit organizations, with 1,600 members working to serve and strengthen Maryland's communities. Every day, nonprofits see firsthand the struggles of families facing housing instability, food insecurity, and economic hardship—even as Maryland remains one of the wealthiest states in the nation.

Maryland Must Build a Resilient Budget to Meet Growing Needs

Maryland's economic growth has stalled while costs for education, housing, and essential services continue to rise. While Maryland's budget remains overly dependent on federal jobs and federal spending, unlike previous years, Maryland can no longer rely on federal relief to fill budget gaps.

At the same time, the Governor's budget proposal includes cuts to developmental disabilities programs, childcare assistance, and other safety net services, threatening to leave our most vulnerable residents without support. Affordable housing and transportation gaps remain major barriers to workforce participation, worsening our economic outlook.

Why This Legislation is Needed Now

Ensuring Economic Fairness

Maryland's lowest-income residents pay a higher share of their income in taxes than the wealthiest individuals. Meanwhile, the largest for-profit corporations shift profits out of Maryland and avoid paying their fair share. The Fair Share Maryland Act corrects this imbalance by closing corporate loopholes and adopting combined reporting—bringing Maryland in line with 28 states and the District of Columbia that have already implemented these policies.

Investing in Families and Economic Growth

Maryland has 3.1 job openings for every 1 job seeker, yet the Comptroller reports that 180,000 Marylanders have dropped out of the workforce due to transportation, child care, and housing barriers. Expanding the Child Tax Credit and Earned Income Tax Credit will provide relief to 850,000 Maryland



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families, helping them to afford housing, child care, and transportation. These investments lift people out of poverty and support workforce participation, helping our economy recover.

Stabilizing the Nonprofit Sector

Nonprofits are essential to Maryland's economy and quality of life, delivering services that keep people housed, employed, and healthy. Yet, despite their critical role, nonprofits remain chronically underfunded, face rising operational costs, and often wait months for state contract payments. As the backbone of community services, they are already stretched to the breaking point, working to fill gaps in healthcare, housing, education, and workforce development. Without a fair and sustainable revenue plan, it is nonprofits—and the people they serve—who will suffer most.

Funding Maryland's Future

For more than a decade, Maryland has operated under a self-imposed austerity, with budget shortfalls forcing cuts to vital services. The Fair Share for Maryland Act will generate \$2 billion in state revenue, allowing us to invest in:

- Education and early childhood programs
- Workforce training and job access
- Transportation and infrastructure
- Affordable housing and public health initiatives

The Choice is Clear

The Fair Share for Maryland Act is not just about tax policy—it is about economic fairness, fiscal responsibility, and ensuring Maryland's long-term prosperity. We are grateful to the 40 House sponsors and the over 200 organizations and individuals who have taken action through Maryland Nonprofits to support this critical bill.

We strongly urge a favorable report on HB 1014 to ensure a thriving Maryland for all.



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