

# MARYLAND RETAILERS ALLIANCE

*The Voice of Retailing in Maryland*



## **SB224 Property Taxes - Authority of Counties to Establish a Subclass and Set a Special Rate for Commercial and Industrial Property**

**January 21, 2026**

**Position: Unfavorable**

MRA represents thousands of retail establishments across Maryland, from small family-owned shops to larger regional and national employers. Our members operate on very slim margins and are deeply embedded in their local communities. For these businesses, tax predictability, fairness, and affordability are crucial for their sustainability and growth.

This legislation threatens these core principles in several significant ways:

1. **Tax Inequity:** Allowing counties to impose higher or separate tax rates on commercial and industrial properties creates unfair tax burdens. Retailers already contribute a substantial share of local revenues through various taxes and fees. Targeting business properties for higher rates unfairly shifts financial responsibilities to employers who cannot easily relocate like residents can.
2. **Economic Uncertainty:** Granting counties the power to set special tax rates could lead to inconsistent tax policies across Maryland. This variability complicates long-term business planning, making it harder for retailers to invest and expand. Businesses thrive on stable tax structures, and this bill moves us away from that stability.
3. **Impact on Consumers and Employees:** Higher commercial property taxes won't only affect businesses; they will likely lead to increased prices for consumers, reduced employee hours or benefits, and potentially store closures. Given the current challenges of inflation, workforce shortages, and rising costs, this proposal would add further strain to an already vulnerable sector.
4. **Competitive Disadvantage:** Maryland competes with neighboring states for business investments. Implementing higher or targeted property tax rates sends a negative message to employers considering Maryland for expansion or relocation. We should foster economic growth, not create obstacles that make it more expensive and uncertain to operate here.

For these reasons, the Maryland Retailers Alliance urges the Committee to issue an unfavorable report on HB90. Thank you for the opportunity to share our concerns and for your ongoing commitment to supporting Maryland's employers, employees, and communities.