



House Bill 188 -- *Unemployment Insurance Modernization Act of 2026*
House Economic Matters Committee
February 11, 2026
Oppose

The Montgomery County Chamber of Commerce (MCCC), the voice of business in Metro Maryland, opposes House Bill 188 -- *Unemployment Insurance Modernization Act of 2026*.

House Bill 188 changes the methodology to calculate unemployment insurance benefits and alters the taxable wage base used to determine employer contributions to the Unemployment Insurance Trust Fund.

High unemployment insurance (UI) taxes remain one of the most significant cost challenges for businesses in Maryland. These elevated payroll tax costs increase the financial burden on employers and reduce the capital available for wages, benefits, and investments that drive growth and innovation. They also harm the State's competitiveness, as businesses may be less inclined to operate or expand in a higher-cost environment. Small businesses feel this impact more acutely, making it harder for them to grow and succeed.

This legislation would further widen the cost gap between Maryland and neighboring competitive states by increasing unemployment insurance expenses. Rising UI costs place additional pressure on employers, especially small and mid-sized companies, at a time when stability and predictability are critical. To promote economic growth and support the creation of quality jobs, it is essential that Maryland remain competitive and avoid additional cost burdens on the business community.

For these reasons, the Montgomery County Chamber of Commerce opposes House Bill 188 and respectfully requests an unfavorable report.

The Montgomery County Chamber of Commerce (MCCC), on behalf of its members, champions the growth of business opportunities, strategic infrastructure investments, and a strong workforce to position Metro Maryland as a premier regional, national, and global business location. Established in 1959, MCCC is an independent, non-profit membership organization.

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