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TO: Senate Finance Committee  
FROM: NFIB – Maryland  
DATE: February 11, 2026

RE: **OPPOSE SENATE BILL 3** – Unemployment Modernization Act of 2026

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-Maryland opposes Senate Bill 3 – legislation increasing the state's Taxable Wage Base and the Maximum Weekly Benefit for unemployment insurance purposes.

NFIB members are concerned about the increase SB3 will have on their unemployment insurance taxes. In Maryland, employers are the sole responsible party for funding the state's Unemployment Insurance Trust Fund (UITF). In Pennsylvania and New Jersey, for example, employees also pay a portion of their wages into unemployment.

While state specific data is not available for Maryland, 31% of small business owners reported job openings they could not fill in the most recent [NFIB Jobs Report](#). Maryland businesses are looking to hire as the state's unemployment rate (4.2%) remains below the national average (4.4%). And according to [data](#) compiled by the Maryland Department of Labor, initial claims due to the federal government shutdown and disruptions in federal grants and contracts has fallen substantially from a peak of 1,357 for the week ending 10/18/2025 to 36 for the week ending 1/24/2026 (*accessed February 9, 2026*).

Senate Bill 3 must be looked at through a lens of employer cost increases. Since 2018, small business owners have been saddled with the following: employer-paid sick leave (2018), minimum wage increases (2019 & 2024), personal income tax hike (2025), paid leave insurance (effective 2027), and numerous fee and licensure increases. Taken together and we see why Maryland ranks as one of the [worst states to start a business](#), [highest for cost of doing business](#), and [least competitive for tax purposes](#). The one bright spot in the latter being Maryland ranks 18<sup>th</sup> for Unemployment Insurance Taxes.

For these reasons **NFIB opposes SB3** and requests an unfavorable committee report.