



Senate Finance Committee

February 11, 2026

Senate Bill 3 – *Unemployment Insurance Modernization Act of 2026*

POSITION: OPPOSE

The Maryland Tech Council (MTC), with over 800 members, is the State's largest association of technology companies. Our vision is to propel Maryland to be the country's number one innovation economy for life sciences and technology. MTC brings the State's life sciences and technology communities into a single, united organization that empowers members to achieve their goals through advocacy, networking, and education. On behalf of MTC, we submit this letter of **opposition** for Senate Bill 3.

Senate Bill 3 proposes changes to Maryland's unemployment insurance (UI) system by adjusting how benefits and employer contributions are calculated. The bill ties the maximum weekly benefit amount and the taxable wage base for employer contributions to a percentage of the State's average annual wage, with the goal of updating benefit levels over time and strengthening the long-term solvency of the Unemployment Insurance Trust Fund.

Although the bill is intended to modernize the UI system and provide greater stability for workers, its proposed funding structure raises significant concerns for Maryland employers. The bill increases the taxable wage base and ties UI benefit levels and employer contributions to a percentage of the state's average annual wage, with the maximum weekly benefit amount set at 40% of the average weekly wage. By tying these components to statewide wage growth, the proposal creates an instant increase in employer tax liability. Increasing payroll tax exposure through a wage-linked formula diverts resources that could otherwise be invested in hiring, research and development, infrastructure, and wage growth. For high-growth companies, additional payroll-based costs may slow hiring or discourage expansion within Maryland.

Employers need stability and clarity to plan multi-year growth strategies. A system that fluctuates with shifting economic indicators creates uncertainty that may deter business investment. For these reasons, MTC requests an unfavorable report on Senate Bill 3.

For more information call:

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