

**Progressive Maryland testimony  
in support of decoupling legislation  
before the House Ways and Means Committee  
February 26, 2026**



HB 801 (Del. Embry): Income Tax - Addition Modifications - Business Stock Gains, Fines, Penalties, and Bonus Depreciation

HB 880 (Del. Palakovich Carr): Maryland Income Tax - Decoupling From Amendments to the Internal Revenue Code - Depreciation and Business Interest Expenses

HB 1080 (Del. Solomon): Income Tax - Addition Modifications - Excluded Opportunity Fund Gains, Foreign-Derived Deduction Eligible Income, and Interest

HB 926 (Del. Ruth): Income Tax – Individual Itemized Deductions – Alterations

HB 930 (Del. Forbes): Income Tax – Decoupling From Federal Changes – Education Expenses

Progressive Maryland, on behalf of our hundreds of thousands of members and supporters and members of our organizational affiliates and partners across the state, supports these bills because they decouple Maryland’s tax code from the egregious tax giveaways to profitable corporations and wealthy individuals that were included in the deficit-exploding, Medicaid-cutting, taking-food-out-of-the-mouths-of-hungry-children Budget Buster Bill (BBB) passed by Trump and the Republican Congress last year.

The purpose and effect of the federal law in question was to continue and worsen the upward redistribution of income and wealth that has already given our nation the worst inequality in our history:

- The top 1% possess more wealth than the bottom 90%.
- A thousand billionaires have more money than 200 million Americans combined.
- If inequality were “only” as bad as it was 50 years ago, every household in the bottom 80% (less than about \$150,000 of household income) **would have an additional \$10,000-\$20,000 of income every year.**

Most Marylanders rejected the Republican reverse-Robin-Hood approach in 2024. They understand that **the upward redistribution of income and wealth is at the root of the affordability crisis for working families.** These families are counting on Maryland legislators to stand up for them by decoupling from this terrible federal law, especially given the projected \$1.5 billion projected FY27 state budget deficit that is putting Maryland’s public schools and other critical public services and investments at risk.

For any legislators who may be concerned about how this might impact Maryland’s business climate, please be aware that the most recent study from the national business group COST – the Council on State Taxation – at COST.org – just published two months ago – found that **Maryland ranks in the top ten most business-friendly business tax climates in the nation.** <https://www.cost.org/globalassets/cost/state-tax-resources-pdf-pages/cost-studies-articles-reports/2511-10951-cs-50-state-report-final.pdf> (page 25)

Progressive Maryland urges your support for this legislation.