



TESTIMONY TO THE HOUSE WAYS AND MEANS COMMITTEE

HB 560 Sales and Use Tax and Property Tax - Exemptions for Data Centers - Repeal

POSITION: Support

BY: Linda Kohn President

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The League of Women Voters has conducted numerous studies to determine our positions on Maryland's Fiscal Structure. One of the key principles that we adopted is that our revenue stream must provide an adequate yield - meaning adequate and timely revenues are available to finance planned expenditures. You are all aware that our current revenue stream does not meet that standard. Another principle that we adopted is compatibility with state social and environmental policy - meaning the state's policy and tax structure are working toward the same ends, not at cross purposes. HB 560 provides an opportunity to work toward those goals.

Before even beginning a state study on Data Centers, the General Assembly saw an economic development potential and rushed to provide tax incentives to lure this industry to Maryland. As we learn more about the environmental impacts as well as the potential for raising the cost of electricity for consumers who are already concerned about the high cost of living in Maryland, HB 560 proposes repealing the generous sales and property exemptions that prior legislation provided to developers of Data Centers.

Other states are showing signs of buyers' remorse about the give-ways that they enacted. For example, here is a headline from Washington state: [How a Washington Tax Break for Data Centers Snowballed Into One of the State's Biggest Corporate Giveaways](#). Here is a story from Ohio: [Indefensible tax breaks for data centers will cost Ohio](#).

We congratulate you on your veto override of the state study on Data Centers. We urge you to repeal the current tax breaks until you have a better understanding of the environmental and economic impacts of this growing but increasingly unpopular industry.

We urge a favorable report on HB 560.