TESTIMONY

HB0880 – Maryland Income Tax – Decoupling From Amendments to the Internal Revenue Code – Depreciation and Business Interest Expenses

Bill Sponsor: Delegate Palakovich Carr
Committee: House Ways and Means
Organization Submitting: Maryland Legislative Coalition
Person Submitting: Aileen Alex, Co-Chair
Position: FAVORABLE

I am submitting this testimony in support of **HB0880** on behalf of the Maryland Legislative Coalition. We are an association of unpaid citizen advocates—individuals and grassroots groups in every district across the state—representing and supporting more than 30,000 Marylanders.

Maryland should not be required to mirror federal tax preferences that shift resources toward corporate interests at the expense of Marylanders. HB0880 protects Maryland's fiscal stability by decoupling our state tax code from recent federal changes to accelerated depreciation rules and expanded business-interest deductions. These federal provisions primarily benefit large corporations and high-income business owners and come with a steep cost to state revenue.

With a decoupling, HB0880 ensures that Maryland retains control over its own tax policy and avoids giving away revenue that is urgently needed for education, transportation, public health, and community investment. The bill keeps Maryland's tax code aligned with our state's priorities rather than federal incentives that do little to support our citizens and small businesses.

HB0880 strongly aligns with the mission of the Maryland Legislative Coalition by promoting transparency, accountability, and a tax system that serves the public good. Preventing automatic adoption of costly federal tax breaks is essential to maintaining a fair and sustainable revenue structure.

For these reasons, we respectfully urge a **FAVORABLE** report on HB0880.