

Testimony in Support of HB 801, HB 880, HB 926, HB 930, and HB 1080

Presented to the House Ways and Means Committee

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Position: FAVORABLE

Chairwoman and members of the Committee, thank you for the opportunity to submit testimony in strong support of **HB 801 (Embry)**, **HB 880 (Palakovich Carr)**, **HB 926 (Ruth)**, **HB 930 (Forbes)**, and **HB 1080 (Solomon)**. These bills represent a critical and responsible step to protect Maryland's fiscal health and the essential services our communities rely on.

The federal tax law passed by Congress in 2025, H.R. 1, provided \$4.5 trillion in new tax breaks that overwhelmingly benefit wealthy corporations and the ultra-wealthy. To pay for these cuts, the same law makes devastating cuts to programs that help Maryland families afford healthcare and groceries, placing new and unfair strains on our state budget.

Given this, it is fiscally irresponsible for Maryland to automatically conform to these federal changes. Doing so would provide an additional, costly state tax break on top of the massive federal windfall already given to the privileged few. This would drain hundreds of millions of dollars from our state treasury—funds that are needed now more than ever for our public schools, healthcare, transportation, and other vital services.

As a parent of a child in Baltimore County, I know that our schools are already stretched thin and cannot afford further budget cuts.

The package of bills before you thoughtfully address the most problematic provisions of the federal law:

- **HB 801, HB 880, and HB 1080** address the corporate income tax and investment taxes. They prevent Maryland from automatically giving corporations and wealthy investors new tax breaks through mechanisms like bonus depreciation and loopholes for intangible assets. At a time when so many Maryland families are struggling to afford basics like rent and groceries, we cannot afford to provide another boost to CEOs and shareholders. We must maintain Maryland's current rules to preserve state revenue for public goods like schools, childcare, and transit, which are the true foundations of a strong economy.
- **HB 926** addresses the state and local tax (SALT) deduction. It prevents Maryland from quadrupling the cap on this deduction at the state level. Matching this federal change would cost the state millions while only benefitting the wealthiest households who own expensive property or multiple homes. Most Maryland families do not itemize deductions, so this change would do nothing for them, while diverting funds from the services they depend on.

- **HB 930** protects public dollars for public schools. It ensures Maryland does not participate in a new federal program that subsidizes private school tuition through tax breaks, and it prevents state tax benefits from being used for K-12 private school expenses through 529 accounts. Our state is already facing challenges in maintaining the public education funding that improves schools and supports every student. We must preserve our limited public resources for schools that are open to all.

Maryland's families and communities cannot afford a double hit: losing federal support for healthcare and food while also losing state revenue for our schools and infrastructure.

Decoupling from these federal tax changes is a sound fiscal policy that ensures our tax code serves the best interests of all Marylanders, not just the wealthy few.

For these reasons, I respectfully and urgently request that the Committee issue a **favorable report** on **HB 801, HB 880, HB 926, HB 930, and HB 1080**.