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Patrick Moran – President

**HB 801 – Income Tax – Addition Modifications – Business Stock Gains, Fines, Penalties, and Bonus Depreciation
Ways and Means Committee
February 26, 2026**

FAVORABLE

AFSCME Maryland Council 3 supports House Bill 801. House Bill 801 eliminates the “qualified small business stock” deduction, which enables wealthy venture capitalists and others to receive a 100 percent tax exemption when they cash out their early-stage investments in companies that have soared in value. Thirty eight states and the District of Columbia are at risk of losing \$1.2 billion in tax revenue if no action is taken.¹

AFSCME Maryland Council 3 represents approximately 55,000 public service workers across varying levels of government including city, county, state, and higher education. AFSCME members are on the frontlines every day delivering critical public services our communities depend on.

Public services across Maryland need investment to support our communities. Public safety, health, education, transportation, public works, and other essential services desperately need investment to deliver the services Marylanders depend on. Whether it is short staffing, deferred maintenance on facilities, or insufficient equipment, when we fail to invest in our public services it is Marylanders who suffer the consequences. Maryland needs resources for our public services, particularly in an environment and time when the federal administration routinely cuts or threatens federal funding for state and local programs.

We urge the committee to support House Bill 801.

¹ Sarah Austin and Nick Johnson, *Quite Some BS: Expanded ‘QSBS’ Giveaway in Trump Tax Law Threatens State Revenues and Enriches the Wealthy*, Institute on Taxation and Economic Policy, October 2, 2025, <https://itep.org/qsbs-trump-tax-law-threatens-state-revenues-enriches-wealthy/>.