



HB 801 - Income Tax - Addition Modifications - Business Stock Gains, Fines, Penalties, and Bonus Depreciation

House Ways and Means Committee

February 26, 2026

SUPPORT

Chair Wilkins, Vice-Chair, and members of the committee, thank you for the opportunity to submit testimony in support of House Bill 801. This bill is a part of a package of bills that will keep our tax code working for low to moderate income families.

The CASH Campaign of Maryland promotes economic advancement for low-to-moderate income individuals and families in Baltimore and across Maryland. CASH accomplishes its mission through operating a portfolio of direct service programs, building organizational and field capacity, and leading policy and advocacy initiatives to strengthen family economic stability. CASH and its partners across the state achieve this by providing free tax preparation services through the IRS program 'VITA', offering free financial education and coaching, and engaging in policy research and advocacy. **Almost 4,000 of CASH's tax preparation clients earn less than \$10,000 annually. More than half earn less than \$20,000.**

Federal legislation passed in 2025 provided \$4.5 trillion in new tax breaks that overwhelmingly benefit investors, large corporations, and ultra-wealthy individuals. At the same time, the legislation is threatening essential food assistance and health care for thousands of Marylanders and straining the state budget.

HB 801 is a part of a package of bills that will help to create stronger households in Maryland by decoupling certain parts of our tax code from the federal government. The tax code should be used to mitigate costly expenses that negatively impact low to moderate income households' overall financial well-being and not provide a boost CEOs and shareholders. Maryland households have expenses such as childcare, transportation, healthcare, and school materials, and this package of bills will make it so these families are not disadvantaged through our state tax code. Households experiencing poverty already suffer from limited access to food, unemployment, unstable housing, inadequate medical care, and utility shutoffs. Maryland needs to invest in programs to address those issues and in services like childcare, community colleges, and transportation in order to grow our economy.

CASH strongly supports decoupling our state tax code from these federal tax changes to protect resources that Maryland families and communities need to thrive. We should not double down and provide additional, costly state tax breaks on top of the federal windfall the privileged few have already received.

Three bills – HB 801, HB 880, and HB 1080 – maintain Maryland's current rules for corporate income tax and deductions available to wealthy investors. Federal tax changes gave significant new tax breaks to these groups by making changes to various deductions such as adjusting the percentage of an expense that is deductible or the timing of when it can be deducted.

We can't grow our economy if we are cutting back on things like public schools, child care, and transit service. It is essential that the General Assembly preserve state revenue and not follow the lead of Congress to give more tax breaks to the wealthy few.

Thus, we encourage you to return a favorable report for HB 801.

Creating Assets, Savings and Hope