



## TESTIMONY

**COMMITTEE:** House Ways and Means

**DATE:** February 19, 2026

**POSITION:** Informational

**BILL:** HB 707

The Maryland Municipal League (MML) appreciates the intent of subtraction modification legislation and the impact it can have on businesses and residents. However, we do believe it is important to highlight that such bills have a trickle-down impact on municipal governments, which receive 17% of the local income tax from their residents.

Local governments are better positioned for success when their revenue sources are consistent, and they have opportunities to balance the scales with local consideration. This is why MML has long advocated for optional local tax credits versus state mandates or subtraction modifications. Similarly, we would advocate for state tax credits in lieu of subtraction modifications to meet the goals of the proposed legislation.

We ask you to keep this in mind when considering HB 707.

For more information relating to this piece of testimony, please contact:

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