Bill:	**House Bill 983 - State Tax Credits, Modifications, and Exemptions - Alterations and Repeal**
Committee:	**Economic Matters**
Date:	**March 5, 2026**
Position:	**Unfavorable**

The Apartment and Office Building Association (AOBA) of Metropolitan Washington is a nonprofit trade association representing the owners and managers of more than 23 million square feet of commercial office space and 167,000 apartment rental units in Montgomery and Prince George's counties. AOBA submits the following testimony in opposition to House Bill 983.

This bill would decouple Maryland from longstanding federal tax policy and the approach taken by nearly every state with an income-based tax system, effectively subjecting REIT income to double taxation.

Not only do millions of individuals benefit from REIT ownership through stocks, 457(b)s, 401(k)s, pension plans, and other investments, but so do millions of Marylanders. As of 2025, the Maryland State Retirement and Pension System holds nearly $16.46 million in domestic and international stocks, including REITs.[1]

This legislation would force REITS to reevaluate their investments in Maryland during a time in which the two largest suburban counties have enacted rent control, arguably the most corrosive policy for long-term housing investment. The stakes are not theoretical. The JPMorgan REIT, owned by the Maryland State Pension fund, has explicitly warned investors that changes in rent control laws may result in lower revenue growth or "significant unanticipated expenditures."[2] If HB 893 were to pass, not only would Maryland be forced to reckon with a reduction in capital for housing production but a weakened portfolio for Marylanders.

For these reasons, AOBA urges an unfavorable report on House Bill 983. For more information, please contact Hugo Cantu at hcantu@aoba-metro.org.

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[1] https://sra.maryland.gov/annual-financial-reports
[2] https://www.sec.gov/ix?doc=/Archives/edgar/data/1893262/000095017025041182/ck0001893262-20241231.htm

1025 Connecticut Avenue, NW Suite 1005 Washington, DC 20036
p: 202.296.3390 f: 202.296.3399
www.aoba-metro.org