



**House Bill 880 -- *Maryland Income Tax - Decoupling From Amendments to the Internal Revenue Code - Depreciation and Business Interest Expenses***  
**House Ways and Means Committee**  
**February 26, 2026**  
**Oppose**

The Montgomery County Chamber of Commerce (MCCC), the voice of business in Metro Maryland, opposes House Bill 880 -- *Maryland Income Tax - Decoupling From Amendments to the Internal Revenue Code - Depreciation and Business Interest Expenses*.

The Chamber opposes House Bill 880 because it would reduce competitive tax deductions and ultimately raise the state tax burden on businesses. The bill requires Maryland taxpayers to modify or add back certain federal deductions for depreciation and business interest expenses, which would increase taxable income and reduce cash flow. It also forces businesses to maintain separate state and federal depreciation and interest-expense calculations, increasing administrative complexity and compliance costs.

Additionally, decoupling from federal tax rules can discourage capital investment by limiting the use of accelerated depreciation and interest-expense deductions that encourage equipment purchases and expansion. This makes long-term planning more difficult, as companies must account for uncertainty and fluctuating state tax rules. MCCC is also concerned that businesses will become less competitive if neighboring states maintain more favorable and aligned federal tax treatment.

**For these reasons, the Montgomery County Chamber of Commerce opposes House Bill 880 and respectfully requests an unfavorable report.**

*The Montgomery County Chamber of Commerce (MCCC), on behalf of its members, champions the growth of business opportunities, strategic infrastructure investments, and a strong workforce to position Metro Maryland as a premier regional, national, and global business location. Established in 1959, MCCC is an independent, non-profit membership organization.*

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