

February 16, 2026

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The Honorable Delegate Jheanelle K. Wilkins
Chair, House Ways and Means Committee
House Office Building
Room 131
6 Bladen Street
Annapolis, MD 21401

Maryland Society of Accounting and Tax Professionals

House Bill 690- Corporate Income Tax – Rate Reduction (Economic Competitiveness Act of 2026)

Chair Wilkins and Members of the Committee

The Maryland Society of Accounting and Tax Professionals represents over 1,400 tax and accounting professionals who collectively serve more than 400,000 Maryland taxpayers and small businesses. We respectfully submit this testimony in opposition to House Bill 690.

House Bill 690 reduces Maryland's corporate income tax rate over several years without addressing underlying issues of tax complexity, base erosion, or fairness across business types. While framed as an economic competitiveness measure, the bill's benefits are concentrated among C corporations and do not extend to the many small businesses that operate as pass-through entities and comprise a significant portion of Maryland's business community.

From a fiscal perspective, the proposed rate reductions would result in a sustained decrease in State revenue. In the context of current and projected budgetary pressures, reducing revenue without corresponding offsets or structural reform raises concerns about long-term sustainability and the potential impact on funding for essential State services.

From an administrative standpoint, House Bill 690 does not simplify compliance or reduce administrative burdens for taxpayers or tax professionals. The bill changes rates but leaves intact a corporate tax structure that remains complex and disconnected from the compliance challenges faced by most Maryland businesses.

MSATP generally supports tax policy approaches that deliver broad-based relief, promote equity among similarly situated taxpayers, and prioritize simplicity in administration. Broad-based measures, such as adjustments to the standard deduction or reforms that reduce complexity across filing entities, may provide more equitable economic benefits without narrowing relief to a limited segment of taxpayers.

For these reasons, the Maryland Society of Accounting and Tax Professionals respectfully urges an Unfavorable Report on House Bill 690.

Respectfully submitted

Giavante Hawkins

Giavante' Hawkins

