



TESTIMONY

HB1080 – Income Tax – Addition Modifications – Excluded Opportunity Fund Gains, Foreign Derived Deduction Eligible Income, and Interest

Bill Sponsor: Delegate Solomon

Committee: House Ways and Means

Organization Submitting: Maryland Legislative Coalition

Person Submitting: Aileen Alex, CoChair

Position: **FAVORABLE**

I am submitting this testimony in support of **HB1080** on behalf of the Maryland Legislative Coalition. We are an association of unpaid citizen advocates—individuals and grassroots groups in every district across the state—representing and supporting more than 30,000 Marylanders.

HB1080 corrects provisions from the so-called “big beautiful bill”—that give preferential treatment to profits from intangible assets sold abroad and enable tax-shelter-style Opportunity Zones. By decoupling from these federal giveaways, HB1080 ensures high-income individuals and corporations pay their fair share.

HB1080 closes two significant loopholes in Maryland’s tax code. First, it prevents Maryland from giving lower tax rates to profits from intangible assets—such as patents, trademarks, and brands—when those assets are sold abroad. These transactions often allow large corporations to shift profits overseas to reduce their tax liability. Second, the bill stops the creation of new Opportunity Zones, which have too often been used as tax shelters for developers rather than a means for genuine community investment.

Without state-level action, Maryland would be required to conform to these federal changes—resulting in unnecessary revenue losses and reinforcing inequitable tax benefits that do not serve the public interest. HB1080 ensures that Maryland retains control over its own tax policy and does not automatically adopt federal giveaways that undermine state priorities.

For these reasons, we respectfully urge a **FAVORABLE** report on HB1080.