

February 26, 2026

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TESTIMONY ON HB 801, HB 880, & HB1080 - POSITION: FAVORABLE

Income Tax - Addition Modifications - Business Stock Gains, Fines, Penalties and Bonus Depreciation; Maryland Income Tax - Decoupling From Amendments to the Internal Revenue Code - Depreciation and Business Interest Expenses; Income Tax - Addition Modifications - Excluded Opportunity Fund Gains, Foreign-Derived Deduction Eligible Income and Interest

TO: Chair Wilkins, Vice Chair Feldmark, and members of the Ways and Means Committee

FROM: David Friedman, on behalf of Jews United for Justice (JUFJ)

My name is David Friedman. I am a resident of District 14. I am submitting this testimony on behalf of Jews United for Justice (JUFJ) in support of HB0801, Income Tax - Addition Modifications - Business Stock Gains, Fines, Penalties and Bonus Depreciation; HB0880, Maryland Income Tax - Decoupling From Amendments to the Internal Revenue Code - Depreciation and Business Interest Expenses; and HB1080, Income Tax - Addition Modifications - Excluded Opportunity Fund Gains, Foreign-Derived Deduction Eligible Income and Interest. JUFJ organizes over 6,000 Jews and allies from across Maryland in support of social, racial, and economic justice campaigns at the state and local levels.

Jewish tradition teaches that in a just world, all people - regardless of race, income, or zip code - would have what the Torah calls *dei machsoro*, resources sufficient for their needs (Deut, 15:4-11). More recently, modern Jewish legal commentary (such as *Shuts Tsis Eliezar 2:22*) teaches that all communal taxes should be assessed progressively - the wealthy pay more both in amount and percentage. Support for HB 801, HB 880, and HB1080 are in alignment with these values.

Federal legislation passed in 2025 provided \$4.5 trillion in new tax breaks that overwhelmingly benefit investors, large corporations, and ultra-wealthy individuals. JUFJ strongly supports decoupling our state code from these federal tax changes to protect resources that Maryland families and communities need to thrive. Especially under current economic and social circumstances, Maryland should not double down and provide additional, costly state tax breaks on top of the federal windfall the privileged few have already received.

HB0801, HB0880, and HBI080 maintain Maryland's current rules for corporate income tax and deductions available to wealthy investors. The Federal tax changes gave significant tax breaks to these groups by making changes to various deductions such as adjusting the percentage of an expense that is deductible or the timing of when it can be deducted. Maryland's corporate tax system already offers generous breaks to many wealthy multinational corporations because we have not closed major loopholes that most other states have addressed. We can't afford to provide another boost to CEOs and stakeholders while so many Maryland families are struggling to afford basics like rent, utilities, and food.

We can't grow our economy in Maryland if we are cutting back on things like public schools, child care, and transit service, which would most likely be the case if Maryland forfeits the revenue lost by letting the impacts of the Federal changes carry through to Maryland corporate taxes. It is essential that the General Assembly preserve state revenue and not follow the lead of Congress to give even more tax breaks to the wealthy few.

On behalf of JUFJ, I respectfully urge this committee to return a favorable report on HB0801, HB0880, and HBI080.