



Letter of Information

House Bill 656 – Income, Sales and Use, and Property Taxes – Rescission of Exempt Status for Nonprofit Organizations for Supporting Terrorist Organizations

*Ways & Means Committee
February 19, 2026*

The Comptroller of Maryland is respectfully submitting this letter of information regarding House Bill 656 – Income, Sales and Use, and Property Taxes – Rescission of Exempt Status for Nonprofit Organizations for Supporting Terrorist Organizations. HB656 requires the Comptroller and the State Department of Assessments and Taxation to determine on an ongoing basis if a nonprofit has been found to be in violation of federal law for supporting a terrorist organization for the purpose of revoking any state tax-exempt status.

When reviewing the potential operational impact of HB656, we were unable to determine if information regarding federal action against nonprofits related to the support of terrorist organizations was centrally maintained by the federal government and accessible to the Comptroller of Maryland. Typically, the Comptroller relies on information provided by agencies such as the Secretary of State to approve or deny exemption status requests for sales and income tax. If this information is not readily accessible, the Comptroller may be required to bring on additional staff to review and approve tax exemption requests in order to meet the requirements of HB656.

Thank you. If you have any questions, please reach out to Matthew Dudzic, Director of State Affairs, at MDudzic@marylandtaxes.gov.

