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Patrick Moran – President

**HB 1080 – Income Tax – Addition Modifications – Excluded Opportunity Fund Gains, Foreign-Derived Deduction Eligible
Ways and Means Committee
February 26, 2026**

FAVORABLE

AFSCME Maryland Council 3 supports House Bill 1080. Federal legislation passed in 2025 provided \$4.5 trillion in new tax breaks that overwhelmingly benefit investors, large corporations, and ultra-wealthy individuals. At the same time, the legislation is threatening core public services for thousands of Marylanders and straining the state budget.

AFSCME Maryland Council 3 represents approximately 55,000 public service workers across varying levels of government including city, county, state, and higher education. AFSCME members are on the frontlines every day delivering critical public services our communities depend on.

Our state desperately needs to address staffing shortages throughout our state government and invest in our aging public facilities. Every day, AFSCME members are asked to perform essential public services throughout our state, often in work environments where they are short-staffed, running on overtime, and in facilities in desperate need of repair. Whether it is correctional officers, public defenders, public health staff, or administrative staff, too many public employees are struggling with workload due to insufficient staffing. We need competitive compensation to retain and attract personnel in state government.

Three bills – HB 801, HB 880, and HB 1080 – maintain Maryland’s current rules for corporate income tax and deductions available to wealthy investors. Federal tax changes gave significant new 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 shareholders while so many Maryland families are struggling to afford basics like rent, utilities, and food and our public services are under strain.

We urge the committee to issue a favorable report on House Bill 1080.