

WES MOORE
Governor

ARUNA MILLER
Lieutenant Governor



YAAKOV "JAKE" WEISSMANN
Secretary

MARC L. NICOLE
Deputy Secretary

TITLE: HB690 Corporate Income Tax - Rate Reduction (Economic Competitiveness Act of 2026)

DATE: February 19th 2026

COMMITTEE: Ways and Means

POSITION: Letter of Concern

SUMMARY OF BILL: This bill reduces Maryland's corporate income tax rate from 8.25% to 6.25% over five years.

EXPLANATION: This proposal reduces the corporate income tax rate, but does not make any offsetting reforms to the corporate income tax base. As a result, if enacted, the state's revenue would decrease by hundreds of millions of dollars annually, with the revenue cost increasing significantly in each successive fiscal year.

Given the significant uncertainty in federal policy and the escalating fiscal shortfalls forecasted through Fiscal Year 2028, the Department urges caution against legislation that increases expenditures or diverts revenue without sustainable funding offsets. In light of the current fiscal crisis, the State must remain disciplined and strategic in its funding decisions to protect essential services for all Marylanders.

**For additional information, contact Dana Phillips at
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