



House Bill 690 -- *Corporate Income Tax - Rate Reduction (Economic Competitiveness Act of 2026)*
House Ways and Means Committee
February 19, 2026
Support

The Montgomery County Chamber of Commerce (MCCC), the voice of business in Metro Maryland, supports House Bill 690 -- *Corporate Income Tax - Rate Reduction (Economic Competitiveness Act of 2026)*.

House Bill 690 incrementally reduces, over five taxable years, Maryland's corporate income tax rate from 8.25% to 6.25%.

Maryland's corporate income tax rate remains high compared to most states. Several surrounding and competitor states have adopted lower rates, including Virginia at 6.0% and North Carolina at 2.0%, with North Carolina's rate scheduled to be phased out entirely by January 1, 2030. Pennsylvania is also in the process of reducing its corporate tax rate from 8.99% to 4.99% by 2031. Given these trends, MCCC urges Maryland policymakers to pursue an incremental reduction of the corporate income tax rate to enhance the state's competitiveness.

In the final report of the *Maryland Economic Development and Business Climate Commission*, released in 2016, it was found that, "reducing Maryland's corporate income tax rate would make the State more competitive in attracting economic development and creating jobs." The report recommended that Maryland reduce, over three years, the corporate income tax rate, stating that, "reducing the corporate income tax rate to 7.0% will make Maryland more competitive for businesses considering expanding or relocating in the State. It will allow businesses to lower the cost of capital, create jobs, and increase investment in the economy. This will be true for both smaller in-state businesses and larger multistate corporations." The report also concluded that reducing the corporate tax rate was affordable as it provides a relatively modest amount of State revenues compared to the individual income tax and sales tax.

Reducing Maryland's corporate tax rate would send a strong signal to the business community that the state is committed to fostering economic growth and job creation. It would also meaningfully improve Maryland's reputation, countering the perception that it is less business-friendly than its regional competitors.

For these reasons, the Montgomery County Chamber of Commerce supports House Bill 690 and respectfully requests a favorable report.

The Montgomery County Chamber of Commerce (MCCC), on behalf of its members, champions the growth of business opportunities, strategic infrastructure investments, and a strong workforce to position Metro Maryland as a premier regional, national, and global business location. Established in 1959, MCCC is an independent, non-profit membership organization.

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