



Senator Guy Guzzone
 Chair, Budget and Taxation Committee
 3W Miller Senate Office Building
 11 Bladen St.
 Annapolis, MD 21401

Delegate Anne Kaiser
 Chair, Ways and Means Committee
 131 House Office Building
 6 Bladen St.
 Annapolis, MD 21401

February 13, 2020

Dear Chairs Guzzone and Kaiser,

On behalf of a coalition of business leaders in Montgomery and Prince George’s Counties, and the thousands of diverse employers and employees our organizations represent, we are writing with concerns about the numerous tax increases and potential rollback of certain tax credits proposed during this Legislative Session. This coalition is comprised of the Maryland Tech Council, the Maryland Building Industry Association (MBIA), the Apartment and Office Building Association of Metropolitan Washington (AOBA), the Montgomery County Chamber of Commerce (MCCC), the Prince George’s County Chamber of Commerce (PGCOC), the Greater Bethesda Chamber of Commerce, the Gaithersburg-Germantown Chamber of Commerce, the Rockville Chamber of Commerce, and the Greater Silver Spring Chamber of Commerce.

Each of our organizations understands the importance of the Blueprint for Maryland’s Future (or the “Kirwan Commission”). In fact, when MCCC surveyed its Board of Directors last summer, the biggest concern of this diverse cross-section of business leaders was the attraction and retention of top talent. By investing in and strengthening our education system, we are ensuring our businesses can hire graduates right here in the state of Maryland. Additionally, after Marylanders have invested in these students throughout the education continuum (Prekindergarten-Job), we want those future taxpayers to stay in the state.

It is our shared position that increasing taxes on businesses and individuals will make Maryland less attractive to future investors and retirees and will threaten the growth of a broader tax base as taxpayers seek more advantaged communities. Funding important priorities, like education, requires sustained robust economic growth. As your respective committees hold hearings on these bills and discuss ways to fund education, we should be supporting policies that attract additional investments in our state to encourage that economic growth.

For example, by rolling back Opportunity Zone incentives and/or imposing a tax on investment management services, the state is sending the unintended message that people should not invest or live in Maryland. If we lower the unified credit for the estate tax from \$5 million to \$1 million, we are sending the message that people should not retire and die here. Further, ending the Biotechnology Investment Incentive Tax Credit will impede the ability of our life science companies to raise critical capital when they need it most. By limiting or ending cybersecurity tax credits, the state could prevent new companies from forming in Maryland and potentially drive existing companies out of the state to more supportive

locations. Companies, individuals, and capital can cross borders and find more hospitable environments than that which will be available in Maryland.

The success of the Kirwan Commission is tied to a strong tax base and a competitive economy that can steadily fund these policies into the future. To grow our tax base, our government should continue to invest in filling our unmet housing needs and a diversified and accessible transportation system across the state. By investing in additional supports for our small businesses, data centers (which have delivered an economic boom for Loudon County), and tax credits for those businesses who are on the cutting edge in their fields, we are ensuring economic stability for decades to come.

We do support the proposal to create a commission to analyze and make recommendations as to how to make Maryland's tax structure more business-friendly and economically competitive. This more comprehensive and strategic approach should be adopted, rather than a series of tax "one-offs" with little understood consequences.

We appreciate your continued commitment to the State of Maryland and look forward to future partnerships to strength our state's economy.

Very respectfully,

Maryland Tech Council

Prince George's County Chamber of Commerce

Maryland Building Industry Association

Greater Bethesda Chamber of Commerce

Apartment and Office Building Association of
Metropolitan Washington

Gaithersburg-Germantown Chamber of
Commerce

Montgomery County Chamber of Commerce

Rockville Chamber of Commerce

Greater Silver Spring Chamber of Commerce

CC: Governor Larry J. Hogan
Senate President Bill Ferguson
Speaker Adrienne Jones
Members of the Budget and Taxation Committee
Members of the Ways and Means Committee
Members of the Montgomery County Delegation
County Executive Marc Elrich
Members of the Montgomery County Council