



POSITION STATEMENT

TESTIMONY PRESENTED TO THE HOUSE WAYS AND MEANS COMMITTEE

HOUSE BILL 122 — TASK FORCE TO STUDY THE IMPACT OF STATE AND LOCAL TAXES ON SMALL BUSINESSES

**DONALD C. FRY
PRESIDENT & CEO
GREATER BALTIMORE COMMITTEE**

POSITION: Support w/Amendments

The Greater Baltimore Committee (GBC) is a non-partisan, independent, regional business advocacy organization comprised of hundreds of businesses -- large, medium and small -- educational institutions, nonprofit organizations and foundations located in Anne Arundel, Baltimore, Carroll, Harford, and Howard counties as well as Baltimore City. The GBC is a 60-year-old, private-sector membership organization with a rich legacy of working with government to find solutions to problems that negatively affect our competitiveness and viability. It is an organization that prides itself on advocating for changes in public policies that strengthen the business climate while improving the quality of life.

The Greater Baltimore Committee supports with amendments House Bill 122 – Task Force to Study the Impact of State and Local Taxes on Small Businesses.

House Bill 122 would create a public and private sector commission to study how the current state and local tax structure impacts small businesses in the state and to make recommendations to reform current policies to ensure fairness, promote job growth, and encourage small business.

In June 2013, the Greater Baltimore Committee hosted its inaugural Chesapeake Conference of CEOs, bringing together private sector business leaders from across the Baltimore region in an effort to create an action-oriented strategy on how to strengthen our state's competitiveness. The top recommendation that emerged from the conference was the creation of a commission with a mission similar to the one described in this legislative proposal: to study the state's tax structure and spending process and develop recommendations to improve competitiveness.

The GBC commission was formed in early 2014 and included a number of prominent business leaders, former elected officials, and former state officials who possessed a deep, internal understanding of the inner workings of the state's budget, tax, and spending processes. While this commission focused primarily on tax and spending issues at the state level, a number of local tax issues were also discussed and analyzed, providing the GBC with a unique understanding of how state and local taxes interact to create a somewhat challenging environment for business, particularly small business.

For that reason, and to ensure that this newly formed commission is fairly representative of all regions of the state, the GBC recommends that the following language be added to the legislation:

- A representative of the Greater Baltimore Committee; and
- A representative of the Greater Washington Board of Trade.

With the above amendment incorporated into the language of the bill, HB 122 could assist in the ongoing process of improving Maryland's competitive tax structure by adding to the growing body of knowledge state and local budgeting.

For the reasons stated above, the Greater Baltimore Committee urges a favorable report of House Bill 122 with the amendment outlined in this Position Statement.

GREATER BALTIMORE COMMITTEE

111 South Calvert Street • Suite 1700 • Baltimore, Maryland • 21202-6180

(410) 727-2820 • www.gbc.org