



POSITION STATEMENT

TESTIMONY PRESENTED TO THE HOUSE WAYS AND MEANS COMMITTEE

HOUSE BILL 1117 -- ECONOMIC DEVELOPMENT - ENTERPRISE ZONE PROGRAM - ALTERATIONS

March 5, 2020

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

Position: Oppose

House Bill 1117 requires extensive and unnecessary requirements for the Enterprise Zone Tax Credit program. The Enterprise Zone Tax Credit program, one of the most important and effective incentives for creating economic activity in Maryland, provides real property and State income tax credits for businesses located in a Maryland Enterprise Zone in return for job creation and investments.

The Greater Baltimore Committee (GBC) contends that preserving effective tax credits and incentives is a vital part of Maryland's ability to compete and ensure robust and inclusive economic development efforts around the State. Effective tax credits, such as the Enterprise Zone Tax Credit program, are important economic development tools and should be maintained or strengthened. Measures such as House Bill 1117 only serve to harm Maryland's ability to compete in a globally competitive business climate.

The Enterprise Zone Tax Credit program is vital for attracting and retaining businesses and jobs, particularly in Baltimore City and the rural areas of the State. This program, which provides benefits to communities that have challenges related to job creation and economic growth, is often the only viable incentive in some regions State outside of Maryland's two major metropolitan areas.

In response to this proposal and a myriad of tax credit-related legislation pending this session in the Maryland General Assembly, the GBC advocates for the creation of a comprehensive commission to study business tax credits. Several bills are pending that create a tax commission while also calling for the examination of business tax credits. The GBC respectfully requests to be a formal member of any commission that may be created by the Maryland General Assembly.

This bill is inconsistent with a key tenet in *Gaining the Competitive Edge: Keys to Economic Growth and Job Creation in Maryland*, a report published by the GBC that identifies eight core pillars for a competitive business environment and job growth:

Strategic and effective state investments in business growth. The state must commit to substantive strategic investments, leveraged with capital assets, to nurture business and job growth. Investments should include competitive and effective tax credits, business development incentives, and tactical initiatives to nurture private investment in industry growth.

For these reasons, the Greater Baltimore Committee urges an unfavorable report on House Bill 1117.

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 65-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.

GREATER BALTIMORE COMMITTEE

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

(410) 727-2820 • www.gbc.org