



THE VOICE OF MONTGOMERY COUNTY BUSINESS

HOUSE BILL 330, 339, 348, 457: CORPORATE INCOME TAX – RATE REDUCTION

HOUSE WAYS AND MEANS

FEBRUARY 18, 2014

SUPPORT

The Montgomery County Chamber of Commerce ("MCCC"), as the voice of Montgomery County business, **supports House Bills 330, 339, 348, 457**, which seek in various ways to reduce Maryland's corporate income tax rate. The MCCC believes that addressing the corporate income tax rate is a reasonable approach to improving Maryland's business climate, without adversely impacting revenues of State and Local government.

On a regular basis, Maryland competes with its surrounding states to attract businesses. A 2013 study by the Tax Foundation (a non-partisan tax research group) found that Maryland ranked as the 10th worst business tax climate in the U.S.

Virginia, often cited as competitor in attracting businesses, maintains a corporate income tax rate of 6%. Virginia has not increased its corporate income tax in over 40 years. On the other hand, Maryland raised its corporate income tax rate in 2007. Given Montgomery County's close proximity to Virginia, Maryland's corporate income tax rate is an issue that is front-and-center to the members of MCCC.

The corporate income tax rate is an important and recognizable barometer of a State's business climate. Montgomery County businesses experience first-hand the impact of Maryland's corporate income tax rate. These bills each seek to lower Maryland's corporate income tax rate. Maryland should take this opportunity to improve its business reputation and attract capital to the state.

For these reasons, we request a **favorable report on House Bills 330, 339, 348, and 457.**