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Advocate for working families condemns Senate Committee for watering down, eliminating best elements in Governor's plan

B&T watered down progressive income tax, eliminated combined reporting

[Annapolis, MD] – Progressive Maryland, the statewide advocacy group that defends working families, today condemned yesterday's votes by the Senate Budget and Taxation Committee to weaken the most progressive and popular elements of the Governor's revenue package.

The Senate Budget and Taxation Committee yesterday made two political blunders that weaken the fairness and hence the popular viability of the Governor's revenue package:

- 1) It voted to weaken the progressive income tax, which translates into taxing wealthy tax filers less and taxing the middle class more. The Governor's plan for asking the top 2% to pay more and allowing the rest of the state to pay less enjoys 62% support in the recent Washington Post poll, versus 29% for the sales tax. It also ensures that over 80% of Marylanders pay less overall under the Governor's plan, offsetting the regressive impact of the sales tax increase.
- 2) It voted to remove from the package "Combined Reporting," which is now the law in 21 states to close corporate loopholes and enjoyed 87% support in the Alliance for Tax Fairness poll earlier this year. It is expected to yield between \$50 and \$150 million annually for the state.

"Yesterday's Senate Committee vote was a huge disappointment for everyone who cares about restoring fairness to Maryland's tax system," said Sean Dobson, executive director of Progressive Maryland. "According to polls, those two elements are the most popular parts of the Governor's plan. We hope and expect that the House of Delegates will act quickly to restore fairness to the revenue package."

Progressive Maryland is among the state's leading advocate for working families, having led the successful fight earlier this year to make Maryland the first state in the nation to enact a living wage requirement for state contracts.

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