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## Fiscal Fairness Facts 2010

Would Maryland, of all states, cut taxes on millionaires and allow corporate tax loopholes and special-deal giveaways that bleed the state of hundreds of millions of dollars in revenue at a time when those revenues could prevent Draconian cuts to public services that literally save the lives of vulnerable children and the elderly -- and stimulate the economy to help end the recession? You would think not, yet that is exactly what we are on track to do unless the General Assembly takes action now to avert this potential disaster.

### **Extending the millionaires tax will:**

- Keep \$100 million per year in the state budget beyond the current December 2010 expiration date, filling about half of the gap created when the computer services sales tax was repealed (it was slated to continue through June 2013).
- Affect less than 1% of the state's taxpayers – a group receiving \$1.5 billion this year from Bush-era federal tax cuts.
- Add progressivity to slightly offset our highly regressive state/local tax code.
- Have no significant impact on where higher-income residents choose to live.

### **Passing Combined Reporting will:**

- Generate \$109 - \$170 million of revenue, based on figures from the Comptroller's recent study of tax year 2006, available at [http://www.btrc.maryland.gov/MBTRCmeetings/documents/reports/Analysis\\_of\\_TY2006\\_MD\\_Corporate\\_Information\\_Reports.pdf](http://www.btrc.maryland.gov/MBTRCmeetings/documents/reports/Analysis_of_TY2006_MD_Corporate_Information_Reports.pdf).
- Make Maryland the 24<sup>th</sup> state to adopt this simple change that finally gets us off the corporate tax loophole treadmill, where we close one loophole and the corporate tax accountants just invent two or three more.
- Close once and for all the loopholes that allow half or more of Maryland's biggest corporations to avoid paying even a single dollar in corporate income tax.
- Baltimore Sun business columnist Jay Hancock, Sept. 21, 2007:  
*"Requiring combined reporting is a no-brainer... Out-of-state tax shelters circumvent the intent of the law, and they're unfair to smaller Maryland businesses that don't have out-of-state affiliates and can't shelter income."*

### **Ending the giveaways and special breaks** detailed in the state's annual Tax Expenditure Report, such as:

- the personal property tax exemption for yachts and private jets
- the sales tax exemption for high-priced precious metal bullion and coins
- the global-warming-promoting tax credit for purchasing coal mined in Maryland
- the property tax credit for golf courses.

Can Maryland really afford these tax cuts and giveaways for the wealthy at a time of recession and real human suffering? Do lawmakers want to explain to angry voters in an election year that they cut funding for schools and Bay cleanup -- at the same time they cut taxes for millionaires and let giant corporations pay no Maryland income tax at all?