



# MCCC Advocacy



## 2020 State Legislation that will Impact your Business

### Coronavirus Response

**For the first time since the Civil War, the Maryland General Assembly adjourned prior to the normal 90-day session. Prior to adjourning, they passed the following measures relating to COVID-19:**

- ✓ \$100 million in the budget for COVID19-related expenses including assistance to small businesses who had to curtail their operations or close
- ✓ \$50 million from the Rainy-Day Fund to appropriate units of State government to fund costs associated with the Coronavirus Disease 2019
- ✓ Facilitation of access to health care, provision of care, and mitigation of costs to individuals for COVID-19 diagnosis and treatment
- ✓ Expansion of eligibility of Unemployment Insurance benefits

*\*\*This is a regularly evolving situation. Follow MCCC on social media to get the most up-to-date information about government assistance at the Federal, State, and County levels\*\**

### Protecting Our Local Economy

**This session, an unprecedented number of tax increases were proposed to pay for additional investments in education. The Chamber successfully defeated:**

- ✓ Proposal to tax ALL services – including business-to-business services
- ✓ A rollback of ALL tax credits like R&D, BioTech, Enterprise Zones, and More Jobs for Marylanders
- ✓ A rollback of Maryland investments made in Opportunity Zones
- ✓ Additional taxes on capital gains and carried interest
- ✓ Limiting Maryland's Estate Tax to \$1 million
- ✓ Proposal to allow counties to raise the piggyback and property taxes

**The Chamber also advocated against proposals that would make our businesses less competitive with surrounding jurisdictions. The following legislation did not pass:**

- ✓ Combined reporting
- ✓ Requiring employer-contributions toward Family and Medical Leave Act

### Business Climate

**The Chamber advocated successfully for several initiatives that will support our small businesses. The following items of legislation passed this Session:**

- ✓ **Maryland Small Business Innovation Research (SBIR)** – Small businesses in Maryland will be given additional support to apply for federal SBIR grants. This support includes additional state grants, trainings, technical assistance, and other administrative needs.
- ✓ **Small Business Development Center** – the Governor will include an additional \$100,000 per year for the pivotal work that the SBDCs are doing for small businesses across the state.
- ✓ **Pass-Through Entities** – the state and local tax (SALT) currently remitted to Maryland by pass-through entities can now be filed as a tax on the entity so it is not subject to the \$10,000 SALT limitation.

### Talent and Workforce Development

**The Chamber successfully advocated for additional investments in education. The following items of legislation passed this Session:**

- ✓ **Historic Investments in School Construction** - Montgomery County will see approximately \$420 million in new state funding for school construction over the next 10 years beginning in FY2022; this is almost double from what MCPS historically has received.

- ✓ **“Kirwan” Legislation** – beginning in FY2022, MCPS will receive an additional \$800 million for education operations including, but not limited to:
  - Improved career and college curriculum
  - Additional investments in Early Childhood Education
  - Expansion of Career and technical education
 Further, additional accountability metrics have been set up at a state-level. The bill also includes an amendment that additional funding will be halted in times of economic crisis as a response to the Coronavirus economic concerns.
  
- ✓ **The Universities at Shady Grove** – USG has been officially put into law ensuring students will continue to have access to established, cutting edge, and high-demand academic programs of degree-granting institutions. Further, funding for USG must be in the State budget.
  
- ✓ **Apprenticeship Tax Credits** - Individuals or corporations that employ an apprentice for at least seven months during a taxable year in an apprenticeship program may receive a tax credit of up to \$3,000 for each apprentice.
  
- ✓ **Veteran Institute for Procurement (VIP)** - The State continued its investment in MCCC’s VIP program with \$150,000 included in the Maryland Department of Commerce’s budget.

### **MCCC Member Priorities**

The Chamber successfully spearheaded and advocated on behalf of specific MCCC member-driven legislation:

- ✓ Business tax exemption for data centers
- ✓ Certain breweries can now cater events
- ✓ Streamlined administrative processes for a marketplace consumption license
- ✓ Removal of duplicative taxes for caterers
- ✓ Defeated anti-consumer choice energy pilot program

### **Transportation**

The Chamber successfully supported initiatives for future investments in transportation.

- ✓ **MARC Expansion** – This bill requires the Maryland Transit Administration to negotiate in good faith with various entities to extend MARC train service to Virginia and Delaware.

The Chamber closely monitored legislation relating to the P3 process in the State which would have impacted the **Governor’s Traffic Relief Plan**. No bills that would have delayed the project were successful.

### **Future Opportunities**

The Chamber supported initiatives that would have supported the Maryland business community that were not successful because of the early adjournment:

- A Commission that would have reviewed how to change Maryland’s Tax structure to be more economically competitive
- A study of the \$300 annual filing fee for all businesses and recommendations as to how to make it more competitive
- Amplification of the Montgomery County Green Business Certification to a statewide level
- Tax credits for businesses impacted by Purple Line construction
- A study of how Maryland could hit its veteran goal for state procurement contracts