



To Lead, Advocate and Connect as the Voice of Business

House Bill 204: Income Tax - Subtraction Modification - Employee-Owned Businesses

Ways and Means

February 6, 2019

SUPPORT

The Montgomery County Chamber of Commerce (MCCC) accelerates the success of our over 400 members by advocating for increased business opportunities, strategic investment in infrastructure, and balanced tax reform to advance Metro Maryland as a regional, national, and global location for business success. Established in 1959, MCCC is an independent non-profit membership organization and is proud to be a Montgomery County Green Certified Business.

House Bill 204 creates a subtraction modification against the State individual and corporate income tax for any income from a qualified transfer of stock or membership interest of a Maryland corporation or limited liability company (LLC). If the qualified transfer is to a direct share ownership plan, the subtraction is limited to the lowest amount of stock or membership interest transferred to any tenured employee during the taxable year multiplied by the number of all tenured employees.

MCCC believes it is important to support business growth and success. This plan offers certain companies that have included employees in the ownership of the entity a way to mitigate the cost of doing business and to continue to grow. We applaud the sponsor for thinking of creative ways to support businesses.

For these reasons, we request a **favorable report on House Bill 204.**