



February 9, 2012

The Honorable Sheila E. Hixson
Ways and Means Committee
Room 131, House Office Building
Annapolis, MD 21401-1912

Re: HB234 Corporate Income Tax – Rate Reduction – **Support**

Dear Madame Chair and Members of the House Ways and Means Committee:

HB234 will reduce the State corporate income tax rate from 8.25% to 7% for taxable years after tax year 2011. The Legislative Committee of the Carroll County Chamber of Commerce supports this bill as we believe it will encourage business development and encourage businesses to remain in the State of Maryland. The long term effect of this reduction would, in our opinion, bring increased future tax revenue into the state.

Small businesses are the backbone of our economy and struggle daily to make payroll and move their products or services. An action to reduce the corporate tax rate by the State will be perceived as a positive move toward creating a positive business climate in Maryland.

Maryland is currently ranked 42nd overall for business friendliness in the 2011 State Business Tax Climate Index, and we believe HB234 is a step in the right direction towards fostering a more attractive climate for business in our state. This is especially true when Virginia has a corporate income tax rate of only 6% and offers such a close geographic alternative for businesses to locate. Our current tax rate is too high and puts Maryland at a competitive disadvantage.

We therefore ask that your committee consider the positive long term benefits of HB234 and give this bill a favorable report.

Sincerely,

A handwritten signature in black ink that reads 'Michael McMullin'.

Michael McMullin
President
Carroll County Chamber of Commerce

CC: Delegate Susan Krebs
Senator Joseph M. Getty