



March 12, 2012

The Honorable Edward J. Kasemeyer
Budget and Taxation Committee
Miller Senate Office Building, 3West
Annapolis, MD 21401

RE: SB 653 - Income Tax - Expensing of Business Property and Bonus Depreciation - **Support**

Dear Senator Kasemeyer:

Senate Bill 653 would re-couple Maryland's business expensing rules with the federal standards and we believe it will encourage business development in the State of Maryland. The Legislative Committee of the Carroll County Chamber of Commerce supports SB 653 as a bill that would decrease income taxes on small business owners. Small businesses are the backbone of our economy and struggle daily to make payroll and move their products or services. An action to increase the ability to purchase large durable assets and expense them will be perceived as a positive move toward creating a favorable business climate in Maryland.

Maryland is currently ranked 42nd worst overall for business friendliness in the 2011 State Business Tax Climate Index, and we believe this bill is a step in the right direction towards fostering a more attractive climate for business in our state. Our current asset expensing law is too low and puts Maryland at a competitive disadvantage.

If we want to encourage new business, foster business growth and retain current businesses we need to look for other ways to meet budget shortfalls. The volume of new taxation bills are beyond troubling. These signs indicate that there is a lack of political will to make difficult budget choices including cutting expenditures and instead place the burden on the backs of those who provide jobs, goods and service to Maryland

For these reasons, we ask that your committee give SB 653 a favorable report.

Sincerely,

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

Michael McMullin
President
Carroll County Chamber of Commerce

cc: Senator Joseph M. Getty
Delegate Susan W. Krebs