



MARYLAND STATE & D.C. AFL-CIO

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HB 256 – Maryland Estate Tax – Unified Credit
House Ways and Means Committee
February 12, 2020

SUPPORT

Donna S. Edwards
President
Maryland State and DC AFL-CIO

Madam Chair and members of the Committee, thank you for the opportunity to provide testimony in support of HB 256 – Maryland Estate Tax – Unified Credit. My name is Donna S. Edwards, and I am the President of the Maryland State and DC AFL-CIO. On behalf of the 340,000 union members in the state of Maryland, I offer the following comments.

With major changes to Federal Estate Tax laws over the past few years, we have seen the exclusion amount steadily rise. With the passage of the Tax Cuts and Jobs Act of 2017, the Federal Exclusion amount doubled. Thankfully, we decoupled the Maryland estate tax from the increased federal exclusion, but that still left our state exclusion at \$5 million.

Facing a structural deficit already, and being pushed by the Federal government to cut even further, we cannot afford to continue down this path. HB 256 seeks to reign this in by reducing the exclusion amount to \$1 million. This will have the immediate benefit of increasing revenue by \$48 million in FY2021, with revenue growth expected to be \$153.6 million by FY2025.

HB 256 is not a new concept. In 2004, a \$1 million exclusion was State law. We have the opportunity to return to what we know has worked in the past, provide the revenue necessary to service the needs of the citizens of Maryland, and help to fix our structural deficit.

We urge a favorable report on HB 256.