



Testimony in Support of House Bill 932
21st-Century Economy Sales Tax Act

Ways and Means Committee
February 27th, 2020, 1:00 pm

Strong Schools Maryland supports House Bill 932 imposing the State sales and use tax on specified digital products, codes, and services.

Strong Schools Maryland is a nonpartisan, nonprofit, 501(c)(3) organization whose sole mission is to establish a world-class public education system for every student in Maryland. We are composed of thousands of volunteers and supporters in nearly every county in the state. Our supporters consist of parents, grandparents, small business owners, retirees, students, teachers, and Marylanders from every background and age. We have built support for implementing and fully funding the 10-year phase in of the Kirwan Commission's recommendations.

Our economy has evolved but our system of taxation has not kept up with this change. The out of date tax system has contributed to the chronic underfunding of Maryland public schools. HB 932 helps modernize our tax system and generates much needed revenue for our public schools. At a time when fewer than 40% of Maryland graduates are college or career ready, it is imperative that the Maryland General Assembly commit to generating enough revenue to cover the entire state share of the Blueprint for Maryland's Future.

A strong public school system is critical to the long term success of our state. In order to build strong schools in every Maryland community, we must implement a new, equitable, accountable, and sustainable funding formula based on the Kirwan Commission's recommendations. A sustainable funding source is critical in order to keep the promise our state has made to families as well as meet our constitutional obligation of a thorough and efficient public education system supported and maintained by taxation¹. To that end, Strong Schools Maryland supports House Bill 932 to contribute to the several sources of revenue, both current and new, that will be required to fully fund the Kirwan recommendations.

When we invest in our public schools, we make our economy stronger, we reduce crime, lower healthcare costs, and provide opportunities for all Marylanders to lead a life of their choice. It is critical that we support efforts that will help fund a public school system that will allow every child, regardless of where they live or which public school they attend, to receive a world-class education. It is not just the right and moral choice, it is the smart economic investment as well.

We urge the committee to issue a favorable report for House Bill 932.

¹ Constitution of the State of Maryland, Article 8, Section 1