

DANIEL L. COX
Legislative District 4
Frederick and Carroll Counties

Judiciary Committee

Subcommittees

Civil Law and Procedure
Family and Juvenile Law

Task Force to Study Crime
Classification and Penalties



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THE MARYLAND HOUSE OF DELEGATES
ANNAPOLIS, MARYLAND 21401

March 11, 2021

Favorable Testimony for HB 1149 Small Business Tax Relief – State of Emergency Orders

Dear Chair Kaiser, Vice Chair Washington and committee members:

I request that the committee adopt a favorable report on HB 1149 Small Business Tax Relief – State of Emergency Orders.

According to the NFIB, nationally small business owners have felt a disproportionate impact from the COVID-19 pandemic compared to medium- and large- sized firms and only 5% of small business owners report that economic conditions are back to normal. “The economic strain on small businesses appears to be easing just slightly for some owners with 15% reporting they will have to close their doors if economic conditions don’t soon improve...”ⁱ

According to the Federal Reserve Bank of Richmond, since December 2019, Maryland payroll employment decreased by 124,700 jobs (-4.5%), on net. Jobs were lost over the year in all sectors except logging, mining, and construction, which added 7,000 jobs (+4.1%). The most jobs were lost in leisure and hospitality (46,700 jobs).ⁱⁱⁱ

The Maryland Restaurant Association, one of the hardest hit business sectors, reported that their industry has lost \$1.4 billion in sales and that 40% of all restaurants in Maryland may close permanently; as many as 150,000 employees have been laid off or furloughed.ⁱⁱⁱ Over 850,000 Marylanders have applied for unemployment and more than \$9 billion dollars have been paid out in benefits.

Maryland small businesses need relief from the forced state and local lockdowns and restrictions. Unlike the big box stores, small businesses have borne the brunt of the economic pain. We rely on these businesses to employ half of our private workforce.

This bill will provide badly needed relief from the emergency orders put in place by providing tax (sales and use, real and property) exemptions during the state of emergency. These exemptions will assist our small business community to weather the economic storms caused by the lockdowns and restrictions put in place by the state emergency orders. It is better to provide these exemptions than to payout out unemployment benefits and drive small businesses out of business.

I urge the committee for a favorable report on HB 1149 Small Business Tax Relief – State of Emergency Orders.

Respectfully,

A handwritten signature in black ink, appearing to read "D. Cox", is centered below the word "Respectfully,".

Daniel L. Cox
State Delegate (D4, Frederick & Carroll)

ⁱ Small Business Recovery Improving Slowly,(NFIB February 4, 2021)

ⁱⁱ Federal Reserve Bank of Richmond February 2021 Maryland Snapshot

ⁱⁱⁱ Restaurant Association of Maryland reports a loss of about \$1.4 billion (WBAL November 2020)