



Michael D. Hankin
President and Chief Executive Officer

February 7, 2021

The Honorable Guy J. Guzzone, Chair
Senate Budget and Taxation Committee
Miller Senate Office Building
3 West Wing
11 Bladen Street
Annapolis, MD 21401

Oppose: SB 361- Carried Interest – Additional Tax

Dear Senator Guzzone and Members of the Committee:

I am writing in opposition to SB 361 – Carried Interest Additional Tax.

Brown Advisory is a private, global, independent investment and strategic advisory firm. Our mission is to make a material and positive difference for our clients by delivering a combination of first-class investment performance, strategic advice and the highest level of service. We serve individual, family, government, and institutional clients in 50 states and 37 countries, overseeing nearly \$140 billion in client assets.

Brown Advisory is headquartered in Baltimore City, Maryland. Of our nearly 850 employees globally, more than 350 are employed in our Baltimore office and 70 more are employed in Montgomery County. Brown Advisory has 13 offices outside of Maryland.

Brown Advisory is structured as a partnership and every one of our employees is an owner of our firm. SB 361 would impose a 17% surtax on income derived from any “*investment management services*” conducted in Maryland and would further subject our employees and outside shareholders who are Maryland taxpayers to a 17% surtax on the growth of our partnership. This creates a strong incentive to move operations and client activity away from Maryland and additionally incentivizes individual taxpayer relocation away from Maryland.

Brown Advisory has steadfastly committed to Maryland as we have grown across the United States and globally. Our firm and employees are involved, generous, faithful members of our community. Much of what our firm does for clients could be performed from our rapidly growing offices in Austin, Texas or another lower tax jurisdiction with relative ease. In an environment where work is more mobile than ever, we believe this legislation would have intensely negative policy impact.

For these reasons, I respectfully request an unfavorable report on SB 361.

Sincerely,

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