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TO: The Honorable Guy Guzzone
Chair, Budget and Taxation Committee

FROM: Hannibal G. Williams II Kemerer
Chief Counsel, Legislative Affairs, Office of the Attorney General

RE: SB547– Broadband Expansion Incentive Act of 2023 (**Support**)

The Office of the Attorney General urges a favorable report on Senate Bill 547, Governor Moore's Broadband Expansion Incentive Act of 2023. This legislation ensures that Maryland most effectively deploys federal broadband infrastructure dollars to close the digital divide and ensure that all Marylanders have access to affordable, high-speed internet. If enacted, Senate Bill 547 will allow Maryland companies to better deploy federal broadband infrastructure dollars by 1) creating a 5 year moratorium on the collection of the sales and use tax for broadband infrastructure equipment, and 2) ending state taxation of federal broadband grants as income which began this tax year as a result of the 2017 Tax Cuts and Jobs Act.

For the foregoing reasons, the Office of the Attorney General urges a favorable report on Senate Bill 547.

cc: Committee Members

This bill letter is a statement of the Office of Attorney General's policy position on the referenced pending legislation. For a legal or constitutional analysis of the bill, Members of the House and Senate should consult with the Counsel to the General Assembly, Sandy Brantley. She can be reached at 410-946-5600 or sbrantley@oag.state.md.us.