

# POSITION STATEMENT



**Testimony of  
Renée M. Winsky, Chief Executive Officer  
Before the  
Maryland Business Tax Reform Commission  
November 9, 2010**

The Tech Council of Maryland (TCM) is the leading technology and biotechnology association in the State of Maryland. Our nearly 500 member companies and supporting institutions are among the most innovative job creation engines found anywhere in the world. However, TCM and many of its members are concerned about the uncertain climate for Maryland's tax structure and have urged us to continue to fight for the best interests of Maryland's innovation-led economy. This means opposing efforts to institute combined reporting or sales taxes on services that harm Maryland businesses.

TCM supports a competitive tax climate. Part of a competitive tax climate is a balanced tax structure that is stable and supports continued investment in job creation. TCM asks that policymakers look for ways to incentivize Maryland's job creation engines to expand, grow and prosper right here in Maryland. This means a consistent corporate tax structure, no combined reporting and no harmful taxes on business services like the 2007 Computer Services Sales Tax, which TCM and its partners fought successfully to repeal.

For TCM's membership, the prospect of combined reporting is of particular concern. It is too complicated, burdensome and counterproductive for innovation. If a tax change were imposed that made Maryland's structure different than its surrounding and competitor states, TCM's members would deem this unfair and destabilizing. TCM has a number of members who have shared their concerns with us that they would be adversely affected by the institution of combined reporting. Even companies that may stand to benefit from combined reporting have voiced their concern over Maryland's shifting corporate tax structure, especially during these difficult economic times.

Again, TCM strongly opposes combined reporting and any new business taxes on services that harm innovation. The passage of combined reporting, in particular, disproportionately harms Maryland headquartered companies, especially many in the technology and biotechnology sectors. Maryland has many advantages already in place for innovative companies. Let's pledge together to do no harm to these companies by opposing combined reporting and harmful taxes on business services.