



Committee: Budget and Taxation

Testimony on: SB 677 – Comptroller – Electronic Tax and Fee Return Filing Requirements

Position: **Favorable**

Hearing Date: February 14, 2024

The Maryland Chapter of the Sierra Club urges a favorable report on SB 677. The bill sets out a timeline for converting paper filing of tax and fee returns and payments to electronic (i.e., online) transactions.

We applied the Comptroller's Office for its aggressive implementation of the capability to receive all business and individual tax returns through an online portal instead of on paper. Importantly to the Sierra Club, eliminating millions of envelopes containing paper returns and checks will significantly reduce the used paper that enters the waste stream to be transported and disposed of. Because paper tax returns are delivered through the mail or another delivery service. the delivery of those returns to the Comptroller's Office also adds to the state's greenhouse gas emissions that exacerbate climate change.

Two of the ways a state agency can reduce its carbon footprint (the amount of greenhouse gases its operations add to the atmosphere) are to adopt sustainable processes that reduce the use of paper and to reduce vehicular travel. Switching to electronic tax and fee filing takes both of these helpful steps.

Online transactions also have less chance of error at the agency, allow speedier processing, and provide increased confidentiality of personal and financial data.

Enactment of the legislation this year will give adequate notice to businesses and individuals, and all those who assist them in filing taxes, and give them sufficient time to make any adjustments to their processes to fully implement electronic filing.

For those reasons, we urge a favorable report on SB 677.

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