The Maryland Chamber of Commerce and our 4,500 business and federated partners remain committed to doing our part to mitigate the impact of COVID-19. The health and safety of our members, their employees and the general public remains our top priority. We also believe that federal and state actions taken to address the challenges posed by the evolving COVID-19 crisis must appropriately balance public health and safety with the economic realities our members face.

The economic impact of COVID-19 is unprecedented. In the early days of the pandemic reaching the United States, we saw historic plunges in the stock market and an emergency rate cut by the Federal Reserve. Since that time, unemployment insurance claims have sky-rocketed while retail sales have plummeted as commerce has been largely shutdown to mitigate the spread of the virus. Indeed, all indicators point to a recession, if not a full-blown depression. Overcoming the economic implications of COVID-19 will require an extraordinary response.

We are grateful for the actions taken to blunt the health and economic impacts of the pandemic, including providing financial support for individuals and businesses. While these measures have created precarious fiscal and economic situations for both the federal and state government, much more will need to be done to support Maryland’s job creators as we work to overcome and rebuild from this crisis.

Resuming commerce will require essential resources and critical services to be in place. These resources include public health and safety measures like access to widespread testing and personal protective equipment (PPE). Expanding the state’s use of contact tracing capabilities is also imperative. Other services like access to public transportation and safe childcare are critical elements for allowing employees to return to work. The policy proposals outlined in this document are built on the premise that these issues are adequately addressed before we can consider a phased-in approach to re-opening and re-building our economy.

ReNEW Maryland is constructed with input from Chamber members and other stakeholders from a wide variety of sectors across the state and is a collection of policy proposals addressing the challenges in the new, mid and long term that will assist Maryland in overcoming the economic impact of COVID-19 and rebuilding the strength of its economy. These proposals are meant to serve as a "menu of options" as policymakers consider pandemic response and recovery efforts. We anticipate these proposals will evolve as does the situation.
In the near-term, we must focus on policies that provide immediate financial relief to businesses and re-build consumer confidence to bridge the gap between the negative economic impact of COVID-19 and recovery. These policies are focused on building cash flow and increasing liquidity so employers can maintain payroll and cover operational expenses. We must also move toward developing policies for “safe workplaces” so that all businesses are positioned to perform their functions in a way that is safe for their employees, customers and the general public. Continuity of operations is critical for the next phase of recovery so that we can quickly jumpstart the economy at the appropriate time.

Establish “Safe Workplace” guidelines, considering differences in sectors, so that employers can plan for reopening; early, clear and consistent guidance is critical (state)

- Utilize a robust stakeholder process working with state agencies, industry partners and other relevant stakeholders to establish clear guidelines based on business sector

Appropriate additional funding for the SBA Payroll Protection Program and Economic Injury Disaster Loan Program (federal)

- Address procedural and structural issues with the programs

Cancel payment of all payroll taxes paid by Maryland employers for the months of March, April and May (federal and/or state)

- The CARES Act included the Employee Retention Tax Credit, which provides some relief, but does not go far enough and includes a cumbersome process. According to the U.S. Chamber of Commerce, cancelling the collection of payroll taxes for three months will add $300 billion in liquidity nationally, and help reduce the cost for employers of continuing to pay employees

Provide financial relief options for 501(c)(6) and other tax-exempt business organizations (federal)

- Section 501(c)(6) organizations include trade and professional associations as well as local, county and regional chambers of commerce. These organizations play a critical role in economic development, training America’s workforce, creating industry and professional standards and disseminating essential information and resources to people in need—particularly during times of crisis. These organizations also require staff and operational expenses to fulfill these duties. Due to unprecedented financial loss, without support, they will be unable to meet these critical obligations to the members that they serve

Support the Comptroller’s recommendation to tap into the rainy-day fund to use $500 million in additional funds to support state businesses (state)

Appropriate additional funds for the Maryland Small Business COVID-19 Relief Grant and Loan Programs and the Maryland COVID-19 Layoff Aversion Fund (state)

Consider a corporate tax credit for costs incurred for remote work for those firms who were unable to access the COVID-19 Layoff Aversion Fund (state)

Defer sales tax payments until January 20, 2021 (state)

- Allow Maryland businesses that collect sales tax to defer sales tax payments without penalty

Extend unemployment benefits, without penalty to employers (state)

- Prohibit unemployment benefit withdrawals made during the crisis from counting against an employer’s experience rating for unemployment tax calculations

Waive or delay any state or local imposed business licensing fees and deadlines without penalty (state/local)
As commerce begins to gradually reopen, policies should focus on establishing stability and predictability for businesses. This can be achieved through financial recovery initiatives, including debt forgiveness and tax treatment. Liability challenges in the private sector stemming from pandemic response and recovery must also be addressed.

Provide liability protection (federal/state)

- Federal and state governments must ensure that emergency response and recovery is not unnecessarily hampered by lawsuits and other costly claims. As they come back on-line and return to work, businesses must be protected from needless litigation.
- There are three important policy areas that states can address immediately to protect businesses from predatory lawsuits during economic recovery:
  
  **Essential Businesses and Post Pandemic Activities**
  Policymakers should provide businesses deemed essential, and their employees, with temporary protections from lawsuits alleging injuries or damage as a result of exposure to the virus on their premises or through activities or products. Similar protections against COVID-related claims should be extended to all businesses and non-profits that work to comply with guidance provided by government authorities as states move to restart their economies.

  **Manufacturers and Users of Personal Protective Equipment**
  State policymakers should supplement the liability protections afforded to certain products and practices by the federal Public Readiness and Emergency Preparedness (PREP) Act. In particular, states should limit the potential legal liability of anyone who produces, distributes, donates, or uses PPE in accordance with government standards and ensure those protections extend to hand sanitizers and disinfecting products recommended by the federal government.

  **First Responders, Healthcare Workers, and Healthcare Facilities**
  In some states, existing laws offer liability protections to government employees, healthcare providers, and others who respond to natural or other disasters. Policymakers should ensure that similar protections are afforded to all healthcare workers, facilities, and other first responders during the COVID public health emergency.

Implement loan forgiveness for the Emergency Disaster Loan Fund for businesses that return to pre-COVID-19 staffing levels within 60 days of the lifting of the state’s emergency declaration (federal); The same challenge with the SBA Paycheck Protection Program must be addressed.

Consider temporarily reducing the sales tax rate and/or creating more tax holidays to spur business investment and consumer spending (federal/state).

Adhere to the new federal Internal Revenue Code changes regarding Net Operating Loss (NOL) deductions, including the carryback provisions (state).

Consider small business bankruptcy reform (federal).

Temporarily freeze minimum wage increase for at least two years (state).

Provide relief through regulatory reform (state).
What do economic growth and expansion look like in the post-COVID economy? Once we achieve stability and return to post-COVID levels in all economic indicators, we must turn our attention to securing Maryland’s future through a stronger economy and business climate. These proposals are focused on putting Maryland at the forefront of global competitiveness and economic prosperity by attracting and retaining quality jobs to meet the needs of the new economy post-recovery and into the future.

**Improve economic competitiveness**
- Lower the corporate income tax rate
- Establish a commission to examine Maryland’s tax code and make recommendations for changes that would make the state more competitive in a post-COVID economy

**Eliminate red tape**
- Build on regulatory reform efforts

**Address infrastructure challenges**
- Upgrade or replace aging infrastructure systems
- Secure federal, state and local funding to bring broadband to unserved areas
- Advance small cell deployment and rural mobile broadband investment so Maryland businesses and residents have the telecommunications infrastructure necessary to support the increased demands of distance learning, telework, telemedicine and public safety

**Prepare for the economy of the future**
- Ensure continuity of public education and workforce development programs
  - We must address continuity plans for colleges, universities and other workforce development programs to ensure that the state’s workforce is prepared for the economy of the future
- Implement and/or expand rapid re-training programs
- Create a telework task force to explore ways to make working remotely easier and more effective

**Lend your voice to the future**
You deserve a voice in shaping the future of Maryland’s economy. As an advocate with the Chamber, you join a 4,500 member-strong grassroots collective of business thought leaders and a full-time, dedicated government affairs team with strong relationships in Annapolis and on Capitol Hill. Through our 11 policy committees, you can have an active role in influencing the public policy that affects your business—with a partner that protects your interests. For more information about membership, contact Whitney Harmel at wharmel@mdchamber.org or 410-269-0642 x117.