

## TESTIMONY OF SI BOETTNER, CHESAPEAKE TRADING CO

My name is Si Boettner, and I am the owner of Chesapeake Trading Co located in St Michaels, Md. We have been in the retail business for over 18 years, with 3 locations doing over \$2.5 million a year, employing as many as 20 employees, up until about one year ago at start of the recession, when we were required to down size to the St Michaels location.

I didn't come here to ask you for any special treatment or tax break. In fact, as a retailer, we are a partner with the State in collecting over \$50,000 in sales taxes.

I just want a level playing field so I can run my business, provide jobs for Marylanders, and help this state's economy grow. After all, we hear that small business, not multi-state corporations are the backbone of this nation's economy. Well..... treat us that way!

Here's the problem: large, multi-state corporations that do business in Maryland are able to shift a lot of the profits they make here to another state. They can create subsidiaries in places where business taxes are much lower or there are no taxes at all – and attribute Maryland profits to those places.

That's not fair. It's not fair to me and my employees, and it's not fair to all the other taxpayers in Maryland who work hard and play by the rules.

The ability of big corporations to engage in this kind of tax avoidance means that everyone else has to pay higher taxes to make up the difference – or we have to invest less in education, healthcare, transportation, job training and everything else that helps build a strong economy.

Either way they win and we lose.

The good news is that you can help change this situation. You can make Maryland a better place to live and a fairer place to do business.

I and my fellow small business owners on this panel are calling on the Commission to recommend combined reporting, to level the playing field for small businesses like ours that operate within Maryland.

By passing combined reporting we can close the loophole, just like 23 other states have done so far. Those big national companies will still be able to do business in Maryland and still make a profit.

But they'll have to play by the same rules we do, and pay for the services they need just as much as we do.

When Auto Zone and WalMart and other multi-state companies play the game the way they play it now they put their profits into their businesses wherever they want. And some of it goes to their shareholders wherever they live. The profits of Maryland's small businesses are reinvested tight here in Maryland.

Being in business isn't easy, but that's okay with me. What I do is my choice. But it's not too much to ask that the rules be the same for everyone.

Small businesses will drive Maryland's economic recovery. Please help us do that by adopting combined reporting to stop the ability of multistate corporations to game the system in a way that hurts Maryland taxpayers and Maryland businesses.