

Provided by Susan Lacz, Principal & CEO, Ridgewells Catering
SB843 – SUPPORT
Senate Budget and Taxation Committee
February 19, 2020

Ridgewells Catering supports SB843 which grants a sales and use tax exemption to statewide caterers. I am writing to you today as a concerned small business owner and employer.

Ridgewells Catering was founded in 1928 and has been based in Bethesda, Maryland since 1972 when the original owners moved its operations from Washington, DC. We currently employ 250 hard-working people – the vast majority of who are Maryland residents. We are a full-service off-premise catering firm and handle events from start to finish, meaning we can provide and coordinate everything necessary for a successful event, including tables, chairs, place settings, tents, valet parking, entertainment, lighting, A/V equipment, flowers, and décor – not to mention food and beverage. We look forward to working with the legislature to discuss the evolution of the catering industry, so there is better understanding of the differences between a restaurant/ banquet hall and an off-site caterer. We worry that we may be classified in a way that hurts full service off-site caterers and our employees.

We have joined other Maryland caterers and suppliers in support of SB843 which seeks action to improve the business climate in our state and specifically to address the Comptroller Office's interpretation that our Sale Tax Exemption only covers Food and Beverage and not all the other components necessary to put on an event. Under the current interpretation, the Comptroller's Office believes we should be paying tax on these items and then in turn, Ridgewells should then tax the consumer. This seems to be an obvious case of double taxation and is making it extremely difficult to compete with catering companies in DC and Virginia. The biggest loser in all of this is the Maryland consumer since the increase in cost is ultimately passed on to them.

We support SB843 and encourage the Maryland General Assembly to support legislation that provides clarity on taxation and regulatory issues to companies such as ours. This will help ensure that caterers across the State are using clear and consistent business practices for Maryland consumers. We would like to thank Senators Peters, Miller, and King for sponsoring this timely legislation. For these reasons, we urge you to support SB843.