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CORCORAN

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SB843

Senate Budget and Taxation Committee

Charles Corcoran, President / CEO, Corcoran Caterers, Inc.

SB843 – Sales and Use Tax – Licensed Statewide Caterers - Exemption – SUPPORT
Senate Budget and Taxation Committee
February 19, 2020

Thank You Chairman and the Committee as a whole,

I am appearing today as a concerned small business owner and employer, to testify in support of Senate Bill 843 which grants a Sales and Use Tax Exemption to Statewide Caterers. Senate Bill 843 provides clarity to a taxation issue that to date has been interpreted incorrectly and put honest – Maryland based - catering businesses at a competitive disadvantage with our competitors from neighboring states.

Corcoran Caterers went through a Sales and Use audit from the Comptroller's office in February & March 2017 and I believe that we have been unfairly audited. It is clearly a double taxation issue on 3rd party equipment rental and other services.

By way of background, I grew up on Maryland's Eastern Shore and attended the University of Maryland, where I met my wife Martha. We started our company, Corcoran Caterers, in 1984, and we have been based in Silver Spring ever since. Today, two of my three children work in my business and it's my intention to pass the business along to them so that we may continue the tradition of being a proud Maryland based business. Additionally, we employ approximately 120 full and part time incredible men and women – the vast majority of whom are Maryland residents. We offer healthcare and a great wage. In fact we have always paid above the federal minimum wage. My average employee has been with me for an average of 12 to 15 years. Most of my employees are immigrants and we have paid for training classes for career advancement. We are a full-service off-premise catering firm and we 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. Everything we do happens somewhere else – at a client's office, a private home, or an event venue like the many historic mansions available for rent in the State of Maryland. That is the definition of an off-premise caterer; in many cases the space in which we do an event is a completely blank slate, and we have to bring everything in order to make that event happen, and then take it away at the end – a clear distinction between us and restaurants.

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We are in the process of starting the Maryland Caterers Association – a group of Maryland catering companies and suppliers who seek action to improve the business climate in our state and specifically to address the interpretation of certain Maryland tax rules that makes it difficult to compete with companies in neighboring jurisdictions.

We support SB843 and encourage the Maryland General Assembly to support legislation that provides clarity on taxation and regulatory issues as they relate to companies such as ours. This will help ensure that caterers across the State are following clear and consistent business practices in the service of Maryland consumers.

I would like to thank Senator Peters, Senator Miller and Senator King for sponsoring this legislation. On behalf of my 120 employees and the many catering businesses in Maryland, I urge you to support Senate Bill 843.

Chuck Corcoran
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