



## House Bill 1280

### *Admissions and Amusement Tax - Small Business Exemption*

MACo Position: **OPPOSE**

To: Ways and Means Committee

Date: February 27, 2020

From: Kevin Kinnally

The Maryland Association of Counties (MACo) **OPPOSES** HB 1280. This bill prohibits local governments from imposing the admissions and amusement tax on the gross receipts of specified businesses.

MACo is concerned with the carryover county fiscal effects of this legislation and would prefer approaches that provide local autonomy to determine the best way to provide tax incentives, rather than those that mandate reductions in local revenue sources.

This bill prohibits a county or municipality from imposing the admissions and amusement tax on the gross receipts of a business that has total gross receipts of less than \$75,000 in a calendar year. According to the bill's fiscal note, the Department of Legislative Services cannot reliably estimate the bill's fiscal impact on local governments. However, counties believe that the bill will have a significant impact on local revenues, which are sorely needed to fund education, public safety, infrastructure, and other essential services.

In general, MACo stands for local self-determination. Counties, led by their elected leaders who are directly accountable within the community, are in the best position to make decisions on local affairs – ranging from land use to budget priorities.

Counties welcome the chance to work with state policymakers to develop flexible and optional tools to create broad or targeted tax incentives, but resist state-mandated changes that preclude local input. For these reasons, MACo urges the Committee to issue an **UNFAVORABLE** report on HB 1280.