



Testimony offered on behalf of:
WHITMAN COIN & COLLECTIBLES, LLC

IN OPPOSITION to:
HB 1284 – State Tax Credits, Exemptions, and Deductions –
Alterations and Repeal
(Tax Modernization Act)

House Ways and Means Committee
 Hearing 3/5/2020 at 1:00 PM

Whitman Coin and Collectibles, LLC **OPPOSES HB 1284** – State Tax Credits, Exemptions, and Deductions - Alterations and Repeal (Tax Modernization Act).

My name is Lori Kraft and I am the General Manager of Whitman Coin and Collectibles Expo, LLC. **Whitman is the country's leading producer of coin shows.**

The bill as drafted would remove a very important tax credit now contained in Article – Tax – General, Section 11-214.1 of the Annotated Code of Maryland and eliminate the precious metals, bullion and coins sales and use tax exemption.

Whitman Expos produces three shows annually at the Baltimore Convention Center. For the last 47 consecutive years we have contributed economic support to the State of Maryland and specifically the City of Baltimore. The economic benefit to the City and State for the last 3 coin and collection Expos in calendar year 2019 are estimated as follows:

- 2019 Spring Expo – Total Business Sales: \$1,538,932
- 2019 Summer Expo – Total Business Sales: \$1,140,431
- 2019 Fall Expo – Total Business Sales: \$2,231,247
- Total for 2019 Coin & Collectibles Expo: \$4,910,610

The source of these data is from “Visit Baltimore” utilizing their event impact calculator which provides data on direct business sales, economic impact analyses, event return on investment (ROI) and estimated room demand metrics. The details of the last three calculators are attached.

The main reason that we have remained in the City of Baltimore is because of the tax exemption on coins and bullion. If the tax exemption on coins and bullion is repealed, then we will be **forced to move our three annual expos to a tax friendly State.**

We have supported and stood behind the City of Baltimore through many difficult times. We have continued to encourage and reassure our vendors that the Baltimore Convention Center, hotels and restaurants are safe and eager for their arrival.

These difficult times have caused general public safety concerns in and around the City of Baltimore. To answer these concerns, we have experienced an annual expenditure increase in our security detail since 2015. As we are readying for our upcoming March 19, 2020 Expo, we will experience our highest security expense to date.

While we sincerely value and appreciate the taxation exemption support that we’ve received from the State of Maryland in the past, please be advised that without it, **we will be forced to vacate the State of Maryland and the City of Baltimore.**

Accordingly, Whitman Coin & Collectibles LLC respectfully requests the Committee to render an **UNFAVORABLE Report on HB 1284. Alternatively, we would support an amendment to the bill to delete the repeal of the bullion and coin exemption.**

Sincerely,

Lori H. Kraft
General Manager
Whitman Coin and Collectibles Expo, LLC
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Event Impact Calculator Detail - 2019 Spring Whitman Coin & Collection Expo - 10/22/2019

Event Summary

Key Parameters		LPE Key Results	
Event Name:	2019 Spring Whitman Coin & Collection Expo	Business Sales (Direct)*:	\$1,075,300
Organization:	Whitman Coin and Collectibles Conventions	Business Sales (Total)*:	\$1,538,932
Event Type:	Public/Consumer Shows	Local Taxes (Total)*:	\$14,211
Start Date:	02/28/2019	Room Demand:	422
End Date:	03/02/2019	Participant Spending:	\$1,193,906
Overnight Attendees:	123	Visitors:	\$1,075,300
Day Attendees:	12234	Locals:	\$118,606

* Excludes local participant spending impacts

Direct Business Sales

Sales by Source

Attendees Spending:	\$597,925	Exhibitor Spending:	\$297,947
Organizer Spending:	\$179,428	Total Event Spending:	\$1,075,300

Business Sales by Sector

Industry	Attendees	Organizer	Media/Sponsors	Total
Lodging	\$79,681	\$7,559*	\$0	\$87,240
Transportation	\$63,082	\$22,906*	\$46,725	\$132,712
Food & Beverage	\$142,396	\$11,847	\$98,277	\$252,521
Retail	\$251,229	\$0	\$0	\$251,229
Recreation	\$61,537	\$0	\$0	\$61,537
Space Rental	\$0	\$72,585	\$27,100	\$99,685
Business Services	\$0	\$64,531	\$125,845	\$190,376
Totals	\$597,925	\$179,428	\$297,947	\$1,075,300

* indicates that the calculator's model defaults were used

Economic Impact Details

	Direct	Indirect/Induced	Total
Business Sales	\$1,075,300	\$463,631	\$1,538,932
Personal Income	\$343,305	\$144,349	\$487,654
Jobs Supported			
Persons	449	67	516
Annual FTEs	9	1	11
Taxes And Assessments			
<u>Federal Total</u>	<u>\$95,375</u>	<u>\$40,704</u>	<u>\$136,079</u>
<u>State Total</u>	<u>\$49,174</u>	<u>\$11,725</u>	<u>\$60,898</u>
Sales	\$37,992	\$6,955	\$44,947
Income	\$4,738	\$1,992	\$6,730
Bed	\$0		\$0

Other	\$6,443	\$2,778	\$9,221
Local Total	\$12,239	\$1,972	\$14,211
Sales	\$0	\$0	\$0
Income	\$3,820	\$1,606	\$5,427
Bed	\$7,570		\$7,570
Per Room Charge	\$0		\$0
Tourism District	\$0		\$0
Restaurant	\$0	\$0	\$0
Other	\$849	\$366	\$1,215
Property Tax	\$20,275	\$5,518	\$25,793

Event Return On Investment (ROI)

Direct

Direct Tax Receipts		\$12,239
DMO Hosting Costs		\$499
Direct ROI		\$11,740
Net Present Value		\$11,989
Direct ROI (%)		2,353

Total

Total Local Tax Receipts		\$14,211
Total ROI		\$13,712
Net Present Value		\$14,003
Total ROI (%)		2,748

Estimated Room Demand Metrics

Room Nights Sold:	422	:	
Room Pickup (block only):	384	:	
Peak Room Nights:	112	:	
Total Visitor Days:	7,804	:	

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Event Impact Calculator Detail - 2019 Summer Whitman Coin & Collectibles Expo - 10/22/2019

Event Summary

Key Parameters

LPE Key Results

* Event Name:	2019 Summer Whitman Coin & Collectibles Expo	Business Sales (Direct)*:	\$ 796,586
Organization:	Whitman Coin and Collectibles Conventions	Business Sales (Total)*:	\$1,140,431
Event Type:	Public/Consumer Shows	Local Taxes (Total)*:	\$12,579
Start Date:	05/23/2019	Room Demand:	423
End Date:	05/26/2019	Participant Spending:	\$905,216
Overnight Attendees:	96	Visitors:	\$796,586
Day Attendees:	8964	Locals:	\$108,630

* Excludes local participant spending impacts

Direct Business Sales

Sales by Source

Attendees Spending:	\$448,359	Exhibitor Spending:	\$220,996
Organizer Spending:	\$127,231	Total Event Spending:	\$796,586

Business Sales by Sector

Industry	Attendees	Organizer	Media/Sponsors	Total
Lodging	\$79,943	\$7,390*	\$0	\$87,333
Transportation	\$45,318	\$22,393*	\$34,657	\$102,367
Food & Beverage	\$102,118	\$9,423	\$72,895	\$184,436
Retail	\$176,731	\$0	\$0	\$176,731
Recreation	\$44,249	\$0	\$0	\$44,249
Space Rental	\$0	\$38,576	\$20,101	\$58,677
Business Services	\$0	\$49,449	\$93,343	\$142,792
Totals	\$448,359	\$127,231	\$220,996	\$796,586

* indicates that the calculator's model defaults were used

Economic Impact Details

	Direct	Indirect/Induced	Total
Business Sales	\$796,586	\$343,845	\$1,140,431
Personal Income	\$259,194	\$107,787	\$366,980
Jobs Supported			
Persons	208	31	239
Annual FTEs	7	1	8
Taxes And Assessments			
<u>Federal Total</u>	<u>\$71,210</u>	<u>\$30,271</u>	<u>\$101,480</u>
<u>State Total</u>	<u>\$36,760</u>	<u>\$8,706</u>	<u>\$45,465</u>
Sales	\$28,409	\$5,158	\$33,567
Income	\$3,577	\$1,488	\$5,065
Bed	\$0		\$0

Other	\$4,773	\$2,060	\$6,834
Local Total	\$11,108	\$1,471	\$12,579
Sales	\$0	\$0	\$0
Income	\$2,884	\$1,199	\$4,084
Bed	\$7,595		\$7,595
Per Room Charge	\$0		\$0
Tourism District	\$0		\$0
Restaurant	\$0	\$0	\$0
Other	\$629	\$271	\$900
Property Tax	\$15,020	\$4,094	\$19,114

Event Return On Investment (ROI)

Direct		
Direct Tax Receipts		\$11,108
DMO Hosting Costs		\$0
Direct ROI		\$11,108
Net Present Value		\$11,343
Direct ROI (%)		-
Total		
Total Local Tax Receipts		\$12,579
Total ROI		\$12,579
Net Present Value		\$12,845
Total ROI (%)		-

Estimated Room Demand Metrics

Room Nights Sold:	423	:	
Room Pickup (block only):	261	:	
Peak Room Nights:	87	:	
Total Visitor Days:	5,508	:	

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Event Impact Calculator Detail - 2019 Fall Whitman Coin & Collectibles Expo - 03/02/2020

Event Summary

Key Parameters

LPE Key Results

*

Event Name:	2019 Fall Whitman Coin & Collectibles Expo	Business Sales (Direct)*:	\$1,550,511
Organization:	Whitman Coin and Collectibles Conventions	Business Sales (Total)*:	\$2,231,247
Event Type:	Public/Consumer Shows	Local Taxes (Total)*:	\$18,280
Start Date:	11/14/2019	Room Demand:	564
End Date:	11/17/2019	Participant Spending:	\$1,782,070
Overnight Attendees:	128	Visitors:	\$1,550,511
Day Attendees:	19108	Locals:	\$231,559

* Excludes local participant spending impacts

Direct Business Sales

Sales by Source

Attendees Spending:	\$842,118	Exhibitor Spending:	\$463,836
Organizer Spending:	\$244,557	Total Event Spending:	\$1,550,511

Business Sales by Sector

Industry	Attendees	Organizer	Media/Sponsors	Total
Lodging	\$90,738	\$15,689*	\$0	\$106,427
Transportation	\$89,080	\$47,544*	\$72,740	\$209,363
Food & Beverage	\$206,784	\$21,361	\$152,995	\$381,140
Retail	\$366,202	\$0	\$0	\$366,202
Recreation	\$89,315	\$0	\$0	\$89,315
Space Rental	\$0	\$70,425	\$42,189	\$112,614
Business Services	\$0	\$89,538	\$195,912	\$285,449
Totals	\$842,118	\$244,557	\$463,836	\$1,550,511

* indicates that the calculator's model defaults were used

Economic Impact Details

	Direct	Indirect/Induced	Total
Business Sales	\$1,550,511	\$680,736	\$2,231,247
Personal Income	\$499,898	\$209,922	\$709,820
Jobs Supported			
Persons	413	61	474
Annual FTEs	14	2	16
Taxes And Assessments			
<u>Federal Total</u>	<u>\$138,080</u>	<u>\$59,534</u>	<u>\$197,614</u>
<u>State Total</u>	<u>\$69,994</u>	<u>\$17,187</u>	<u>\$87,181</u>
Sales	\$53,804	\$10,211	\$64,015
Income	\$6,899	\$2,897	\$9,796
Bed	\$0		\$0

Other	\$9,291	\$4,079	\$13,370
Local Total	\$15,407	\$2,873	\$18,280
Sales	\$0	\$0	\$0
Income	\$5,563	\$2,336	\$7,899
Bed	\$8,620		\$8,620
Per Room Charge	\$0		\$0
Tourism District	\$0		\$0
Restaurant	\$0	\$0	\$0
Other	\$1,224	\$537	\$1,761
Property Tax	\$29,236	\$8,161	\$37,397

Event Return On Investment (ROI)

Direct		
Direct Tax Receipts		\$15,407
DMO Hosting Costs		\$0
Direct ROI		\$15,407
Net Present Value		\$15,733
Direct ROI (%)		-
Total		
Total Local Tax Receipts		\$18,280
Total ROI		\$18,280
Net Present Value		\$18,667
Total ROI (%)		-

Estimated Room Demand Metrics

Room Nights Sold:	564	:	
Room Pickup (block only):	370	:	
Peak Room Nights:	116	:	
Total Visitor Days:	11,369	:	