



AAA Mid-Atlantic's Testimony in **OPPOSITION** of HB 1354 Sales And Use Tax – Services

Sponsors: Delegates Charkoudian and Palakovich Carr

- On behalf of all Maryland, AAA Mid-Atlantic strongly **opposes HB 1354 – Sales and Use Tax - Services.**
- HB 1354 alters the definition of “taxable service” under the sales and use tax to impose the sales tax on certain services.
- We specifically **oppose** efforts to impose a sales tax on a travel arrangement or reservation service.
- AAA provides automotive, travel, and insurance services to 60 million members nationwide and nearly 988,000 members in Maryland, as well as the general public.
- In addition to the burdens these taxes would place on Maryland residents, HB 1354 would also hurt the overall economy.
- According to the Maryland Commerce Department, tourism remains the 10th largest private sector employer in Maryland, providing Marylanders with more than 150,000 jobs.
- Unfortunately HB 1354 sends the wrong message and would adversely impact Maryland’s tourism industry.
- Because travel agents compete not only with fellow in-state agents, but against a wide range of out-of-state businesses, and online travel companies, HB 1354 would place Maryland travel agents at a competitive disadvantage to agents in non-taxing states, according to the American Society of Travel Advisors (ASTA).
- We respectfully urge the Committee to render an **unfavorable report for HB 1354.**

*Ragina C. Ali, AAA Mid-Atlantic
Public and Government Affairs Manager
443.465.5020*

Contacts:

*Sherrie Sims, GS Proctor & Associates
Senior State Associate
410.733.7171*