



MARYLAND COALITION OF INTERIOR DESIGNERS (MDCID)

Date: Monday, March 2, 2020
Bills: **House Bill 1354 – Sales and Use Tax – Services**
House Bill 1628 – Sales and Use Tax – Rate Reduction and Services
Committee: House Ways and Means Committee
The Honorable Anne Kaiser, Chairwoman
Position: **UNFAVORABLE**

The Maryland Coalition of Interior Designers (MDCID) is an educational, legislative, and public policy coalition that represents interior designers. We strive to increase the integrity of our profession by playing an active role in regulation and legislation that impacts our profession. Certified Interior Designers are a vital part of the design team and we work collaboratively with the other regulated design professionals: including architects, engineers, landscape architects, and surveyors.

House Bill 1354 *“expands the definition of taxable service under the State sales and use tax to include specified services. The bill takes effect July 1, 2020.”* Included in the list of 13 services that would be taxed is “interior design or decorating”.

House Bill 1628 *“imposes the State sales and use tax on all services, except for specified services, by expanding the definition of taxable service. The bill also reduces the general State sales and use tax rate from 6% to 5% for taxable goods and services. The bill takes effect January 1, 2021.”*

We oppose both HB1354 and HB1628.

The bills as drafted raise a myriad of questions and concerns, particularly with respect to the determination of services that would be exempt from the tax. Simply taxing a service by NAICS categories does not get to the specific value and benefit a service has. Services provided by Certified Interior Designers, regulated by the State of Maryland, benefit the health safety and welfare of the citizens and visitors to the State. As shown below and in the attached document, interior designer services are critically important and should not be viewed as merely luxury and extraneous services.

SAFETY IS NOT A LUXURY...

Interior designers protect businesses and commercial building and real estate owners by ensuring that their spaces are in compliance with laws and regulations and are designed to exacting specifications to ensure the health, safety, and welfare of building occupants.

For at-risk Americans at home and for public building owners, proper design is not a luxury, it is a necessity.

Safety, in well-trafficked and highly-regulated, public buildings, is not optional. Interior designers ensure compliance with the Americans with Disabilities Act and all design safety laws and regulations.

In residential buildings, interior designers design for the blind, disabled, infirm, and aged ensuring safe use, accessibility, and proper wayfinding.

Burdening designers when providing these necessary services and burdening consumers when obtaining them will only harm our nation's public interior environments and all built infrastructure.

INTERIOR DESIGNERS ARE SMALL BUSINESS OWNERS:

Another area of concern is how these bills will impact the relationships we have with our clients as well as our business to business interactions. Many interior design firms are small female or minority-owned businesses.

83%
of interior design firms nationally
are small businesses of four or fewer
employees

80%
of these small businesses are
female or minority-owned

Service taxes place these small businesses at a competitive disadvantage and disproportionately harm small, female, and minority owned businesses.

Interior design businesses can only grow and add to the local, state, and national economy and create well-paying jobs if they are able to compete on a level tax playing field with other design and construction services in other states that don't tax services

For the reasons stated above taxing interior design services is bad public policy. We ask for an UNFAVORABLE report on both House Bill 1354 and House Bill 1628.

For additional information please contact:
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INTERIOR DESIGNERS PROTECT THE PUBLIC

INTERIOR DESIGNERS ENSURE COMPLIANCE WITH LEGAL HEALTH AND SAFETY STANDARDS

The importance of Building Codes & Standards to the profession of interior design cannot be understated. Interior designers are trained to interpret and consistently use national model and state-adopted codes and standards to construct safe, sustainable, affordable, accessible, and resilient structures including spaces where large groups of people congregate, such as convention centers, hotels, airport terminals, and more. Their knowledge and skills help to ensure the safety of the public every day. As one of the guardians of the public's health, safety, and welfare in the built environment, it is the responsibility of ASID to be involved with codes and standards work.



THE AMERICANS WITH DISABILITIES ACT

Interior designers play an integral role in ensuring that all spaces employed by the public comply with the Americans with Disabilities Act.

Requirements include:

- Elevator controls, door hardware, and counter heights
- Height and depth for objects obstructing a path of travel or aisle
- Doorway clearances
- Ability and strength required to operate doors
- Existence of ramps and handrails for accessibility
- Required clearances at doors
- Clearances and mounting heights for restroom fixtures



FIRE AND EMERGENCY SAFETY CODES

Interior designers are responsible for ensuring the health, safety, and welfare of the inhabitants of the spaces they design. A strong understanding of applicable building codes for fire and emergencies is a necessary skill designers must possess.

Standard safety codes include:

- Ensuring clear aisles and horizontal exiting
- Location and size of fire-rated partitions and doors
- Mounting heights and locations of fire extinguisher cabinets, ensuring clear access
- Location of exit signs that identify the path of egress
- Emergency lighting levels
- Audio and visual alarm system throughout the premises
- Specification of materials that comply with fire and health codes (fabrics, wallcoverings, draperies, paint, woods, laminates, glazing, and flooring)



DISASTER MITIGATION/RESILIENCE

Interior designers plan for natural and man-made disasters in their work by employing strict adherence to current codes and standards and other disaster mitigation construction best practices.

Examples include:

- Conduct above ceiling inspections for suspended ceilings
- Advise clients on the placement of storage furniture to avoid exit access, especially if not counterbalanced, anchored, and/or locked.
- Encourage clients to manage shelves, overhead units, and personal items effectively with safety in mind.
- Conduct historic preservation evaluations on historic and culturally significant structures post-disaster.
- Areas of refuge



HEALTH AND WELLNESS

Interior designers work to ensure safety in medical facilities and strive to find innovative ways to improve healthcare outcomes.

- Specify products and materials that mitigate slips, falls, and accidents in medical and assisted living facilities.
- Suggest lighting systems that increase a physician's ability to diagnose various conditions by improving her ability to see clearly.
- Develop wayfinding schemes that help patients navigate their surroundings while visiting medical facilities. This is especially important for patients with dementia.
- Specify colors, patterns, and elements of biophilia that enhance psychological wellness.