



## Maryland Municipal League

*The Association of Maryland's Cities and Towns*

# TESTIMONY

February 23, 2020

**Committee:** House Ways and Means

**Bill:** HB 1079 - Admissions and Amusement Tax - Exemption - Activities That Promote Health and Physical Well-Being

**Position:** Oppose

**Reason for Position:**

The Maryland Municipal League opposes HB 1079. The bill would exempt charges for use of a sports facility, rental of sports equipment, participation in activities that promote well-being, and admission to facilities that promote well-being from a local admissions and amusement (A&A) tax.

Municipalities in Maryland are limited in the ways in which they can generate revenue and the A&A tax is one tax municipalities are authorized to impose and, to some degree, set the rate. Recently, the A&A tax has produced over \$10 million in revenue annually for municipalities.

According to recent data, exempting revenue from athletic facilities, athletic equipment rentals, skating and skiing activities and rentals, golfing, and pool use would result in a **loss of almost \$1.4 million** in municipal revenue and impact over 80 municipalities. Exempting these types of activities would significantly restrict already limited municipal revenue streams.

Additionally, while some aspects of the bill are well defined, the phrase “activities that promote health and well-being” is quite vague and can lead to a wide and inconsistent application of exemptions. The estimated loss above may not capture all the activities under this broad phrase and certainly does not cover any new activities that may begin in the future.

It is for these reasons that the Maryland Municipal League opposes HB 1079. The League therefore respectfully requests that this committee report the bill unfavorably.

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