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March 7, 2024

The Honorable Venessa E. Atterbeary
House Ways and Means Committee
Room 131, House Office Building
Annapolis, Maryland 21401

RE: House Bill 1515 - Sales and Use Tax - Rate Reduction and Services - UNFAVORABLE

Dear Chair Atterbeary and Members of the Committee,

On behalf of the Maryland Association of Mutual Insurance Companies (MAMIC), we oppose House Bill 1515.

MAMIC is comprised of 12 mutual insurance companies that are headquartered in Maryland and neighboring states. Approximately one-half of our members are domiciled in Maryland, and are key contributors and employers in our local communities. Together, MAMIC members offer a wide variety of insurance products and services and provide coverage for thousands of Maryland citizens.

At the outset, we observe that the “premium tax” to which the premiums charged by our members are subject, is analogous to the sales tax proposals under House Bill 1515. Therefore, it could fairly be considered as duplicative in its application, which raises a fundamental fairness issue.

Should the State wish to consider an expansion of sales tax application to services, including insurance-related services, it should first conduct a thorough, detailed study including the economic impact of such taxation on different industries in the State, including the insurance industry.

For these reasons, we respectfully request an unfavorable report on House Bill 1515.

Sincerely,

A handwritten signature in black ink, appearing to read 'Jeane A. Peters', is written in a cursive style.

Jeane A. Peters, President

cc: Bryson Popham