



ACEC/MD
AMERICAN COUNCIL OF ENGINEERING COMPANIES/MARYLAND

Hon. Vanessa E. Atterbeary, Chairman
Ways and Means Committee
Room 131, House Office Building
Annapolis, Maryland 21401

Hon. Jheanelle K. Wilkins, Vice Chair
Ways and Means Committee
Room 131, House Office Building
Annapolis, Maryland 21401

Organization: The American Council of Engineering Companies/MD (ACEC/MD)
Bill: HB1515 - Sales and Use Tax - Rate Reduction and Services
Position: Oppose

Chairperson Atterbeary and Vice-Chair Wilkins,

The American Council of Engineering Companies/MD (ACEC/MD) is the representative organization for approximately 90 consulting engineering firms of various sizes across the state. These firms play a crucial role in serving both the public and private sectors by actively participating in the design and development of essential infrastructure such as public water and wastewater systems, bridges, highways, building structures, and environmental projects.

Our organization's member firms collectively employ approximately 7,000 individuals statewide, and approximately forty percent of ACEC/MD's membership is comprised of certified small, minority-owned, or women-owned businesses, reflecting our commitment to diversity and inclusion within the engineering industry. We respectfully **Oppose** this bill.

HB 1515 seeks to alter the definitions of "taxable price" and "taxable services." The proposed changes to these definitions are significant and negatively impact the transportation industry. The bill redefines taxable price to include all labor and services for application or installation of products, as well as all professional services. The change in definition in taxable service now includes any activity engaged in for a buyer for consideration. These new definitions are broad and overly inclusive. For example, those who hire laborers and engineers will now be taxed for the services they provide. We are unsure how this will affect both the consumer and the industry, but we expect it to be extensive.

For any comments, inquiries, or further information, please do not hesitate to contact me at cfaison@acecmd.org.

Respectfully,



Chad Faison
Executive Director
ACEC/MD