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Office of the Mayor  
Gavin Buckley, Mayor  
160 Duke of Gloucester Street  
Annapolis, MD 21401-2517

February 23, 2024

**TO:** Members of the Ways & Means Committee

**RE:** HB 1306 – A&A Tax – Food and Beverages

**POSITION:** Support

The City of Annapolis relies largely on property taxes to fund essential services. We are always mindful of the burden on property owners while balancing the need to generate sustainable long term revenue so we can continue to meet increasing costs and deliver essential services. Additional revenue sources, that broaden our tax base to a wider pool of residents, as well as to visitors who also benefit from our City services and infrastructure, are an important part of a sustainable, long-term revenue stream.

The City of Annapolis therefore adds our voice and seeks your support for HB 1306. This bill would provide capacity for the City to grow its revenue in order to fund essential infrastructure and community services; maintain and enhance public safety programs and personnel; and advance critical capital projects that promote alternative transportation, address climate challenges, and support long-term resiliency. The increasing costs of resiliency alone, are staggering.

The proposed expansion of the Admissions and Amusement tax, is particularly pertinent to Annapolis which is a hub for visitors from across our state and across the nation. Many of these visitors spend money in food and beverage establishments which is a significant, core, economic activity stream within the City. The 2% tax rate being proposed offers a meaningful but not onerous form of contribution from these visitors to the City – visitors who also benefit from City services and capital infrastructure investments.

As a business owner, I am mindful of the impact of any legislated change to business owners. We believe impacts of HB 1306 will be minimal, given this change will fit readily within an existing administrative framework. Furthermore the City is committed to working with our business community to ensure fairness and minimal impact to a constituency that generates jobs and helps keep our local economy strong.

I am also mindful of maintaining a fair and equitable taxation base as possible. The fact that this Bill targets luxury items and non-essentials, while avoiding regressive Sales & Use tax, is another reason it is worthy of support.

The passage of HB 1306 will ensure our State Capital, and other local jurisdictions are positioned to maintain and enhance essential services and better positioned to meet the resiliency and other challenges of the future. Local communities are the lifeblood of our nation. Please show them your support by voting for this Bill.

Sincerely,

A handwritten signature in black ink, appearing to read "Gavin Buckley", written in a cursive style.

Gavin Buckley  
Mayor of Annapolis