

March 7, 2024

The Honorable Vanessa Atterbeary, Chair House Ways & Means Committee Room 131 Taylor House Office Building Annapolis, MD 21401

Subject: HB1515, Sales and Use Tax- Rate Reduction and Services

Dear Chairwoman Atterbeary & Committee Members,

My purpose in writing is to offer my strongest opposition to House Bill 1515, Sales and Use Tax - Rate Reduction and Services.

This historic increase in the Marland Sales and Use tax couldn't possibly come at a worse time in the business cycle. My company works with many industries throughout the commercial sector such as houses of worship, businesses of all sizes, health care facilities, sports and entertainment venues, funeral homes, and many others. Many are still recovering from the financial implications of the pandemic. The increased cost to my business and having to pass this along to them will have a devasting effect on my small business as well as our clients, not to mention the trickle-down impact to the good folks we all employ. Our national economy is still facing serious uncertainty due to the affects of inflation. Our employee costs have risen dramatically due to compensation and benefit mandates from the federal and state government. Our cost-of-goods has grown significantly, yet consumer confidence is still affected by the recent global pandemic.

One of my biggest concerns is that any business located in Frederick County is impacted by our proximity to nearby states (PA, VA and WVA) who's economies are not burdened by rising sales taxes on goods and services the same way that we will be should HB1515 become law.

PLEASE reject this economy-stifling and job-killing initiative by issuing an UNFAVORABLE committee report on HB1515.

Eric Johnson, CTS-D, President Audio-Video Group, LLC ericj@audiovideogroup.com