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

Dear Chairwoman Atterbeary & Committee Members,

I'm writing to you as someone who has run a coworking space, full of freelancers and micro-businesses who provide services to their clients, for nearly 12 years. On their behalf and my own, I oppose House Bill 1515, Sales and Use Tax- Rate Reduction and Services.

Running a small service-based business is already tough enough. It's difficult to command a fee that covers the costs of running the business and still provides a living wage. Clients frequently question rates and push back when invoices come due. Further, many freelancer and micro-businesses contract with others in order to round out their offerings. Requiring service providers to charge a tax on top of their fee will make maintaining a viable business even more difficult.

Additionally, having to charge and track sales tax payments would also create an undue burden on these often one- to two-person businesses that already struggle to wear all the hats required of them. Many do not have sufficient income to cover the cost of having someone else handle such things.

My own business, Ferguson Holdings, LLC (DBA Cowork Frederick), which serves these freelancers and micro-business owners, also struggles to make ends meet. There is no extra profit to absorb a sales tax, so we would have to pass the cost on to those who use our services. We're already bracing ourselves for rising compensation and benefit mandates from the federal and state governments.

A healthy freelancer and micro-business economy is essential to the health of Maryland's overall economy. It provides a flexibility that helps individuals and larger companies alike adapt to changes in the job market. It also provides many services that might not otherwise be offered to the people of Maryland. The economy is finally starting to recover from the effects of the pandemic. Please don't do something to hamper that.

Please issue an UNFAVORABLE committee report on HB1515.

Most urgently,

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