

**FAVORABLE WITH AMENDMENTS**  
**House Bill 1515**  
**Sales and Use Tax – Rate Reduction and Services**

**House Ways and Means Committee**  
**March 11, 2024**

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**Government Relations**

The Maryland State Education Association supports House Bill 1515, with amendments, which would reduce the state's sales tax rate and expand it to professional services. MSEA believes that modernizing Maryland's antiquated sales tax structure is an important part of being able to fund the State's priorities like public education. We recommend making this proposal part of a larger tax reform package that includes closing corporate loopholes and ensuring that wealthy families pay their fair share, as laid out in House Bill 1007.

MSEA represents 75,000 educators and school employees who work in Maryland's public schools, teaching and preparing our almost 900,000 students so they can pursue their dreams. MSEA also represents 39 local affiliates in every county across the state of Maryland, and our parent affiliate is the 3 million-member National Education Association (NEA).

MSEA supports the passage of an adequate, sustainable, predictable revenue stream that will sufficiently fund both the operating and construction costs of our public schools. Ensuring that every student has the opportunity to pursue their dreams means that we have the resources to provide all students with updated technology, small, manageable class sizes, safe and modern schools, proper healthcare and nutrition, and highly qualified and highly effective educators. Reliable funding will also support the implementation of the Blueprint for Maryland's Future, including improvements to access to pre-K and career technology education, as well as expansion of the educator workforce and increased salaries to help deliver individualized instruction and recruit and retain the best educator workforce in the country.

Supporting our schools requires strong action to meet the urgency of this moment, as schools are struggling with addressing the educator shortage while also trying to serve students who need more supports and services. Building on the historic work of the General Assembly to establish the Blueprint, fully and sustainably funding the Blueprint will fundamentally address these issues and yield immense benefits for our schools, our economy, and the next generation of Marylanders. MSEA believes



that this bill can play an important part in the solution for how we raise the needed revenue to ensure adequate funding for our public schools for years to come. This bill would help the state meet its commitments to our students, staff, and community members.

While this bill addresses the revenue concerns facing the state, especially after the most recent report from the Bureau of Revenue Estimates, MSEA also urges the General Assembly to take additional actions to incorporate other provisions from the Fair Share for Maryland Act of 2024 (HB 1007). These reforms include closing corporate loopholes, closing the LLC loophole, reforming state income taxes, fixing the estate tax on millionaires, and taxing capital gains like income from work. These steps would raise needed revenue to ensure the state's portion of the Blueprint is fully funded beyond the next two fiscal years, support other necessary investments in state priorities, and create a fairer tax system for all Marylanders.

**MSEA urges a favorable report of House Bill 1515 as a part of a larger revenue package.**