

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,

As longstanding members of Maryland's consulting community since 1957, employing over 100 dedicated professionals, we are compelled to express our strong opposition to HB1515, which proposes implementing a sales tax on services.

We entitle, design, and help to create housing in the state of Maryland and are just one of the numerous services required to design, build, and obtain housing. This historic increase in the Marland Sales and Use tax couldn't come at a worse time. Our economy is still facing serious uncertainty because of inflation. Specifically, the cost of housing has grown significantly, pricing many Marylanders out of the market, and causing them to relocate to other states.

Governor Moore is clear that housing affordability and availability is a top priority as is evidenced by three bills introduced by his administration during this year's general assembly aimed at solving a 96,000-unit housing shortage. HB1515 will make the problem worse if passed, as it will increase the costs of all the various services that serve the housing industry, which will ultimately be passed onto the consumer, increasing the cost of housing for everyone. And since housing is needed to accommodate Maryland's workforce, having less housing available ultimately impacts Maryland's economy.

We urge you to consider the long-term social and economic health of Maryland and oppose HB1515, safeguarding the interests of our state's businesses and broader community.

Please reject this initiative by issuing an UNFAVORABLE committee report on HB1515.

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