



## Department of Economic and Tourism Development

March 6, 2025

Senator Guy Guzzone  
Chair, Budget and Taxation Committee  
3 West Miller Senate Office Building  
Annapolis, MD 21401

RE: SB1045/HB1554 – Sales and Use Tax – Taxable Business Services – Alterations

Dear Senator Guzzone:

The Kent County Economic and Tourism Development Department strongly opposes Senate Bill 1045/House Bill 1554, which proposes the expansion of Maryland's sales and use tax to essential business-to-business (B2B) services. As a small rural community, Kent County is home to many small businesses that would be severely impacted by the additional financial and administrative burdens this tax would impose.

Implementing a B2B service tax is a short-term solution that would create significant long-term challenges for Maryland's economy and its competitiveness. Kent County shares a border with Delaware, and this tax would create a strong incentive for businesses to seek service providers across state lines, potentially leading Maryland-based service businesses to relocate.

This legislation would impose substantial administrative burdens on businesses required to track, collect, and remit the new tax. For many small businesses, this translates into higher accounting costs and time diverted from business growth to compliance.

In light of these concerns, the Kent County Economic and Tourism Development Department respectfully requests an unfavorable report on Senate Bill 1045/House Bill 1554 and urges the adoption of policies that foster a thriving business environment in Maryland.

Sincerely,

Jamie Williams, CEcD  
Director

cc: The County Commissioners of Kent County  
Senator Stephen S. Hershey  
Delegate Jay A. Jacobs  
Delegate Steven J. Arentz  
Delegate Jefferson L. Ghrist