

Senate Bill 1045 Date: March 10, 2025 Committee: Senate Budget and Taxation Committee Position: Opposed

Dear Chair Guzzone and Members of the Committee,

I would like to address the Chair, Vice Chair and members of the Committee,

My name is Jon Skinner, I am owner of Community Auto Body in Dundalk Maryland. I am writing to oppose a tax increase as written in HB 1554 and SB 1045 (Sales & Use Tax).

We are an automotive collision Repair Facility and the majority of our repair work is done through insurance claims with all of it's labor cost pricing pre-set on industry standards. Therefore, we are not able to regain any increase unless it is passed onto our customers. We are located in a middle to lower income area and our customers are already struggling to meet their deductibles. I do not see any way to regain the losses caused by this tax increase but to absorb them through any profit margins or staff reductions.

We have already experienced reduced sales in the past year falling short in our growth from 2023 to 2024 by 3 - 5%. If we are able to make up for the deficit in sales this year, these proposed bills would cost our small business upwards of \$75,000 in additional tax payments. We are a small independent shop and already in competition with a growing trend of large Multiple Shop Auto Groups in the area. We have been in business for 37 years and have seen the industry change and become more competitive with new challenges yearly. The challenges we struggle with are qualified technician shortages, increased total losses of vehicles, a hard economy and increase of auto insurance premiums making it harder for customers to pay their deductibles and afford

repairs, parts pricing increase and fuel delivery charges. The increase of this tax proposal adds to the hardship of doing business in Maryland.

If somewhere in this bill you could see the great harm it is for small businesses and an even greater deterrent for businesses to come to Maryland, you would stand with the small businesses here today and stop this bill from moving forward.

To conclude, we stand unfavorable to these bills and are asking for reconsiderations to these proposals.

Thank you for your time

Jon Skinner – owner/ operator

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