



The Honorable Guy Guzzone  
Chair, Senate Budget & Taxation Committee  
Miller Senate Office Building, 3 West  
11 Bladen Street  
Annapolis, MD 21401

**RE: OPPOSITION to Senate Bill 1045 - Sales and Use Tax – Taxable Business Services – Alterations**

Dear Chair Guzzone and Committee Members:

I am writing to express my strong opposition to Senate Bill 1045 as a MD licensed Certified Public Accountant and member of the Maryland Society of Accounting and Tax Professionals (MSATP). My practice is based in Clarksburg/Montgomery County, where I have been serving Maryland taxpayers and businesses for over 33 years.

This legislation, which would impose a 2.5% sales tax on accounting, tax preparation, and bookkeeping services provided to business entities, would have severe negative consequences for both my practice and the 100 plus Maryland small businesses I serve.

The impact on my practice would be immediate and substantial. As a solo practitioner with two employees, I operate with limited resources and tight margins. Implementing this tax would require significant investments in technology, staff training, and client education – a substantial burden for a small professional practice like mine.

***I find it particularly troubling that while accounting services would be subject to this new tax, legal services are conspicuously excluded. This creates an unfair competitive disadvantage where approximately 188,917 accounting businesses would be taxed, while 359,026 legal service businesses would remain exempt. This selective application raises serious questions about equity and fairness in our tax system.***

More concerning is how this tax would affect my clients. Most small businesses already operate on thin margins (especially under current economic conditions), these increased costs could lead to difficult decisions about reducing their use of professional services.

From my professional experience helping businesses maintain tax compliance, I can tell you with certainty that this legislation would have unintended consequences. Some of my clients

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would inevitably reduce their use of professional accounting services, potentially leading to errors in tax filings, missed deductions, and even unintentional non-compliance – outcomes that benefit neither the businesses nor the state.

As someone dedicated to helping Maryland businesses navigate complex tax regulations, I ask you to consider the real impact this legislation would have on small accounting practices and the businesses we serve. I respectfully urge you to issue an unfavorable report on Senate Bill 1045.

Thank you for your consideration.

Sincerely,

*Ellen S Silverstein CPA*

Ellen S Silverstein CPA  
Secretary and Past President, MSATP

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