



**CALVERT COUNTY
BOARD OF COUNTY COMMISSIONERS**

175 Main Street
Prince Frederick, Maryland 20678
410-535-1600 • 301-855-1243
www.calvertcountymd.gov

Board of Commissioners

Mark C. Cox Sr.
Catherine M. Grasso
Earl F. Hance
Mike Hart
Todd Ireland

March 10, 2025

VIA ELECTRONIC MAIL

The Honorable Senator Guy Guzzone, Chair
Budget & Taxation Committee
3 West Miller Senate Office Building
Annapolis, Maryland 21401

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

Chair Guzzone, Vice Chair Rosapepe, and Committee Members:

We respectfully urge an **UNFAVORABLE** report on **SB1045** because its implementation would engender significant adverse consequences for local businesses, economic growth, and the State's overall competitive posture. The proposed taxation of professional services would impose a disproportionate financial burden on Maryland businesses, particularly small and medium-sized enterprises (SMEs) that rely on these services for operational efficiency. Furthermore, the expansion of the tax to encompass essential consumer services represents an unprecedented and regressive fiscal measure.

This expansion of the tax structure would not only discourage business investment within Maryland but also diminish the State's attractiveness as a destination for new and expanding enterprises, thereby impeding job creation and economic development. Given Maryland's geographic proximity to neighboring states, the imposition of this tax would incentivize businesses to procure services from out-of-state providers, resulting in a substantial loss of revenue and economic activity within Maryland.

Moreover, the implementation and enforcement of such a comprehensive tax structure would present formidable administrative complexities, leading to increased compliance costs for businesses and potentially triggering unintended financial strain on service providers and consumers. This measure would effectively elevate the cost of essential services for Maryland residents while simultaneously placing an undue burden on SMEs through heightened fees and diminished consumer spending.

Calvert County's economic vitality is predicated on a diverse and robust business ecosystem that fosters job growth and economic resilience. SB1045/HB1554 threatens this stability by introducing new financial encumbrances that would increase the cost of conducting business in Maryland, thereby discouraging entrepreneurship and hindering business retention. We appreciate your thorough consideration of our position on this critical matter. Should you require any further information or clarification, please do not hesitate to contact County Administrator Julian M. Willis at 410-535-1600, extension 2202, or Economic Development Director Julie Oberg at 410-535-1600, extension 2485.

Sincerely,

BOARD OF COUNTY COMMISSIONERS
CALVERT COUNTY, MARYLAND

A handwritten signature in blue ink, appearing to read "Earl F. Hance".

Earl F. Hance, President

A handwritten signature in blue ink, appearing to read "Todd M. Ireland".

Todd Ireland, Vice President

A handwritten signature in blue ink, appearing to read "Mark C. Cox Sr.".

Mark C. Cox Sr.

A handwritten signature in blue ink, appearing to read "Catherine M. Grasso".

Catherine M. Grasso

A handwritten signature in blue ink, appearing to read "Mike Hart".

Mike Hart

cc: Calvert County Senators and Calvert County Delegation