



MARYLAND COALITION OF INTERIOR DESIGNERS (MDCID)

Date: Wednesday, March 12, 2025
Committee: Senate Budget & Taxation Committee
The Honorable Senator Guy Guzzone, Chair
Bill: Senate Bill 1045 – Sales and Use Tax – Taxable Business Services – Alterations
Position: **Oppose - Letter of Concern**

The Maryland Coalition of Interior Designers (MDCID) is an educational, legislative, and public policy coalition that represents interior designers. Certified Interior Designers are a vital part of the design team and we work collaboratively with the other regulated design professionals: including architects, engineers, landscape architects, and surveyors.

Senate Bill 1045 as drafted *“Alters the definitions of “taxable price” and “taxable service” for the purposes of certain provisions of law governing the sales and use tax to impose the tax on certain labors and services if both the provider of the service and the buyer are business entities; and specifies the rate of the sales and use tax for certain labor and services.”*

We are concerned with the approach taken in this bill to apply a business-to-business sale tax. While Interior Design is not explicitly included in the bill (NAICS Sector 541410), we do note the inclusion of our design colleagues who work in photography (NAICS Sector 541420), graphic design (NAICS Sector 541430) and the textile design and lighting design (NAICS Sector 541490) industry. **The services being targeted in the bill may be viewed as luxury or complementary, but rather they are necessary for life, safety and wellness.**

For at-risk Americans at home and for public building owners, proper design is not a luxury, it is a necessity. Safety, in well-trafficked and highly regulated, public buildings, is not optional. The materials and lighting used serve to ensure, enhance, and augment safety, durability, and functionality. In residential buildings, interior designers design for the blind, disabled, infirm, and aged ensuring safe use, accessibility, and proper wayfinding.

Burdening designers when providing these necessary services and burdening consumers when obtaining them will only harm our nation’s public interior environments and all built infrastructure. In fact, Maryland is in the midst of an affordable housing crisis. Policies such as this will exacerbate the shortage by driving up costs to be borne by small businesses and ultimately consumers.

Many interior design firms in Maryland are small businesses. Service taxes place small businesses at a competitive disadvantage and disproportionately harm small, female, and minority owned businesses. Placing additional accounting requirements on small businesses increases their overhead expenses. Some small firms with already tight profit margins might be forced out of business.

For the reasons stated above we respectfully ask that the long-term costs to these sales tax measures be considered and ask for an unfavorable report on this bill.

For additional information please contact mdcidinfo@gmail.com