



CARROLL TREE SERVICE
— INC. —

SB 1554 – Sales and Use Tax - Taxable Business Services - Alterations

Committee: Ways and Means

Date: March 10, 2025

Carroll Tree Service Position: **OPPOSED**

Carroll Tree Service, Inc provides expert tree care services throughout the Baltimore metropolitan region. We are writing to express our concern about the proposed service taxes included in SB 1554. We are a small business that has served our community since 1972, and we just **cannot** absorb the direct and indirect costs associated with this proposed legislation.

We will without doubt be negatively impacted in, at least, the following ways:

1. Increased costs associated with training any staff member assigned to creating estimates that tax will need to be included in estimates for specific classes of customer.
2. Increased costs associated with training any staff member assigned to invoicing to provided oversight and/or corrective measures for when invoicing any estimate that should be taxed.
3. Increased costs associated with a significantly more arduous sales and use tax return filing process.
4. Increased costs associated with preparing the business against potential sales and use audit.
5. Increased costs associated with securing a 3rd party software (**and PAY TAX on that software**) and/or developing internal procedures that specify: if customer is commercial, and if customer is present on the taxable list, then apply sales tax.
6. Increased costs associated with charging an paying the tax at the time of invoicing and then waiting for the customer to actually pay.
7. Increased costs associated with charging an paying the tax at the time of invoicing and then not getting paid by the customer
8. Increased costs associated with paying tax on services that we purchase from other vendors that fall into the taxable services category.
9. Losses in revenue associated with underbidding by companies outside of Maryland who are not subject to the tax.

The costs associated with doing business in Maryland is extremely prohibitive at present.

Please do provide a favorable report on **SB 1554**.

Sincerely,

Stephen Sprague, CFO