

SB 1045 - Sales and Use Tax - Taxable Business Services - Alterations  
House Budget and Taxation Committee  
March 12, 2025  
Legislative Position: UNFAVORABLE

Dear Chair Guzzone and Members of the Committee,

My name is Anthony DiNenna, and I am a CPA in Annapolis/Anne Arundel. I am writing to express my strong opposition to SB 1045, which would impose sales tax on a wide range of business-to-business (B2B) services, including accounting and tax services.

This proposal is deeply concerning because of the following:

- Increases costs for businesses. Taxing essential services like accounting and tax compliance creates a pyramid effect, where businesses pay tax on services used to run their operations, ultimately driving up prices for consumers.
- Hurts small businesses and startups. Many small businesses rely on professional services to stay compliant with tax laws and financial reporting. Adding a sales tax burden makes it harder for them to compete and grow.
- Creates compliance challenges. Tax professionals already work to ensure businesses meet complex state and federal tax requirements. Applying sales tax to these services only adds unnecessary administrative burdens.
- Weakens Maryland's business competitiveness. Other states that have considered taxing professional services have faced strong backlash or repealed such measures due to their negative economic impact. This bill would put Maryland at a disadvantage compared to neighboring states.
- It drives business to neighboring states where these services are not taxed.

For these reasons, I respectfully urge an UNFAVORABLE report on SB 1045. Maryland businesses should not be penalized for seeking professional expertise to remain compliant and financially healthy.

Thank you for your time and consideration. I appreciate your service to our state and would be happy to discuss this issue further.

Sincerely,

Anthony DiNenna

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