

My name is Michelle Waller, and I have been a Certified Public Accountant in Maryland since 1997 and own and operate a public accounting firm in Wicomico County. I am a trusted business advisor to approximately 100 small businesses in our local area. I **strongly oppose** HB 1554 / SB 1045 as this bill will hurt businesses, increase costs, and put Maryland at a competitive disadvantage.

Small businesses will bear the brunt of this new tax!

- Small businesses already run on very thin margins
- Small businesses are already being hit hard with the drastic increase in minimum wage; those on the Eastern Shore particularly so, since we are a very different economic climate here
- Small businesses rely heavily on professional services—accounting, tax preparation, legal, and consulting—to stay compliant, manage payroll, and make informed financial decisions

For a Fortune 500 company, this is just another line item in the budget. For a small business????? It's the difference between hiring another employee and cutting back. Between staying open and shutting down.

- **Small businesses rely on CPAs to stay compliant.** Large corporations have in-house finance teams, meaning they won't feel the sting of this tax. But small businesses? They'll pay more for every tax return prepared and every financial consultation
- **Higher compliance costs means higher prices for consumers.** Small businesses can't absorb these costs indefinitely. They'll either pass them on to customers and drive up prices, or they'll reduce their reliance on these critical services, exposing them to financial and regulatory risks.
- **This tax discourages small business growth.** Why would a Maryland entrepreneur expand when they know that every service they need to grow – tax prep, accounting, business consulting – will cost more here than in Virginia, Delaware, or Pennsylvania.

Simply put: **A tax on professional services isn't just bad policy; it's a direct hit on the very businesses Maryland should be supporting!**

Additionally, the idea of taxing tax preparation services is especially alarming. Imagine telling a Maryland small business owner: "Not only do you have to pay taxes, but now you have to pay extra taxes just to figure out how much tax you owe!"

In our area here on the Eastern Shore, small businesses are still struggling in the aftermath of COVID. Many businesses closed as a result of the pandemic. Now they are struggling with having to pay a minimum wage level suitable for a city but not for a rural economy like Dorchester County! Additional compliance and then tax on that compliance, is going to be yet another burden born on the backs of hard-working, small business owners.

This could decimate businesses in Dorchester, Wicomico, Worcester, and Somerset counties where it would be more appealing to move their businesses just 15-30 minutes in the opposite direction, thereby landing in Virginia or Delaware.

Please VOTE NO on HB 1554 / SB 1045!