
ROBERT G. CASSILLY
Harford County Executive



ROBERT S. McCORD
Director of Administration

March 10, 2025

Senator Guy Guzzone
Chair, Senate Budget and Taxation Committee
3 West, Miller Senate Office Building
11 Bladen Street
Annapolis, Maryland 21401

RE: Letter of Opposition to Senate Bill 1045 – Sales and Use Tax – Taxable Business Services - Alterations

Dear Madam Chair and Members of the Committee:

This legislation currently before you today presents substantial concerns to Harford County, and many of Maryland's other counties.

As presented, this legislation presents another threat to the operation not only to a number of small businesses in the County, but to the County itself. If enacted, SB 1045 would expand Maryland's sales and use tax to essential business-to-business (B2B) services. This proposal would create a new 2.5% tax on a wide range of services that businesses rely on daily to operate, including accounting, IT support, consulting, and many others.

As others have also noted, we recognize that Maryland currently faces budget challenges. Implementing this tax on small businesses, however, serves only as a short-term effort that will eventually add to significant long-term problems for Maryland's economy and competitiveness.

Like many counties throughout Maryland, small businesses constitute a substantial number of commercial operations in the State, employing local residents and generating several revenue streams that remain within their collective areas.

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Delegate Vanessa Atterbeary

March 10, 2025

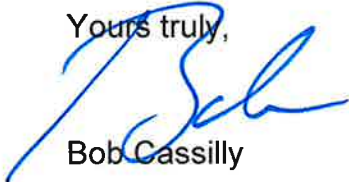
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Also like many counties in Maryland, Harford County either directly borders another State (Pennsylvania to the north), or lies within a brief distance of another State (Delaware). It would not be outside the realm of probability that by simply relocating that business to those other states, the additional tax can be avoided. Should that happen, a number of Maryland residents of these small businesses may lose their local employment, local businesses lose a local partner, and Maryland loses that 2.5% tax revenue that prompted this in the beginning.

I urge you to and the members of the General Assembly to carefully evaluate the implications of this legislation, reject SB 1045, and advocate for policies that support a thriving business environment in our state.

Thank you.

Yours truly,

A handwritten signature in blue ink, appearing to read "Bob Cassilly", is written over the printed name.

Bob Cassilly