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Chairman Guy Guzzone  
Senate Budget and Taxation Committee  
Maryland General Assembly  
Annapolis, Maryland 21401

**RE: Oppose SB 1045, Sales and Use Tax - Taxable Business Services - Alterations**

Dear Chairman Guzzone and Senate Budget and Taxation Committee:

I am writing today as a lifelong resident of Maryland, a small business owner, and a CPA who has served Maryland-based small businesses for over 23 years.

And I ask that you and fellow members of the Senate Budget and Taxation Committee oppose SB 1045.

This bill is a bad idea on so many levels, some of which include:

1. **Maryland is already struggling to attract and retain businesses compared to other states.** Last year, CNBC ranked Maryland 47<sup>th</sup> in the *cost of doing business* and 37<sup>th</sup> in *business friendliness*. This policy will further drive business owners and innovation elsewhere, including DC, Virginia, and Pennsylvania.
2. This is especially true since so many of the services affected can be provided virtually, such as the accounting space I practice in, but also the IT space, consulting space, and more. These services are increasingly, if not dominantly, already being provided online, so **switching providers to an out-of-state supplier is very easy.**
3. But practically speaking, **it also disproportionately affects the small business owner.** I day-in, and day-out, (especially this time of year) talk with and serve small business owners. They are almost universally concerned about how their business is doing, the outlook for the economy, and the impact it will have on them. They have experienced dips in their revenues combined with increases in their costs. Increasing their compliance costs is adding salt to their wound.
4. Other states (Michigan in 2007 and Florida in 1987) passed similar measures, but quickly saw a backlash that resulted in repeal. **We can learn from their mistakes and let Maryland small business owners know their legislators support them.**

Thank you for your time and consideration, and I hope you and the Committee find for “No” to SB 1045.

Sincerely,



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