

SB 1045 - Sales and Use Tax - Taxable Business Services - Alterations

House Budget and Taxation Committee

March 10, 2025

Legislative Position: UNFAVORABLE

Dear Chair Guzzone and Members of the Committee,

My name is Virginia Frazier, and I am CPA located in Laurel, MD. 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

- **Hurts small businesses and startups.** Many of my clients are small businesses who 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 to get access to the services they need to grow their businesses.
- **Creates compliance challenges.** As a tax professional, I already work very hard to ensure my businesses and my clients meet complex state and federal tax requirements. Applying sales tax to these services will add another layer of 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competitiveness.** Other states that have considered taxing professional services have faced strong backlash or repealed such measures due to their negative economic impact.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 and will cause many business owners to move to other states where these taxes are not imposed.

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,



Virginia E. L. Frazier, CPA

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