



CIRCLE OF FRIENDS, LLC D/B/A BEST SENIOR CARE

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Alex Petukhov
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Circle of Friends, LLC
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Senate Budget and Taxation Committee

RE: Opposition to Senate Bill 1045 – Sales and Use Tax – Taxable Business Services.

Dear Members of the Senate Budget and Taxation Committee,

I am writing on behalf of Circle of Friends, LLC a small home care agency serving seniors and individuals in need of personal care throughout Maryland. I strongly urge you to oppose Senate Bill 1045, which seeks to impose a 2.5% sales tax on a broad range of business-to-business services. This legislation would place an undue burden on small businesses like ours, increasing our operational costs and threatening the affordability of care for vulnerable populations.

As a home care agency, we operate on tight margins while providing essential services to seniors and individuals with disabilities. The proposed tax would add an unnecessary financial strain by increasing the cost of necessary business services such as payroll processing, accounting, legal assistance, and other professional services. These costs will inevitably be passed down to consumers, making care less accessible to those who need it most.

Additionally, this bill constitutes an unfunded mandate that disproportionately affects small businesses. Unlike larger corporations, we do not have the financial flexibility to absorb these additional costs without significantly impacting our employees, caregivers, and clients. The added tax burden will force us to reconsider hiring, wages, and even service expansion—ultimately limiting job growth and reducing the quality of care available in our communities.

Furthermore, the home care industry already faces significant regulatory challenges and workforce shortages. Instead of implementing policies that make it harder for small agencies to operate, we urge the legislature to focus on measures that support home-based care services and strengthen Maryland's healthcare workforce.

For these reasons, I respectfully request that you vote against Senate Bill 1045 and consider the severe unintended consequences this tax will have on small home care agencies and the clients we serve. Thank you for your time and consideration. I welcome the opportunity to discuss this matter further and share firsthand how this legislation will impact our business and the Maryland residents who rely on our services.

Sincerely,

Alex Petukhov
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