



March 12, 2025

The Honorable Guy Guzzone
Senate Budget and Taxation Committee

The Honorable Vanessa Atterbeary
House Ways and Means Committee

RE: House Bill 1554 / Senate Bill 1045 – Sales and Use Tax - Taxable Business Services - Alterations

Position: **Oppose**

Chairs Guzzone and Atterbeary & Committee Members:

The MD|DC Credit Union Association is a trade association representing over 65 credit unions in Maryland, along with their more than 1.9 million members. On behalf of the association, I am writing to express our **opposition** to Senate Bill 1045 / House Bill 1554.

This bill would impose a new 2.5% tax on a wide range of business services, significantly increasing costs and creating unnecessary burdens for companies of all sizes. Businesses already face numerous expenses to maintain operations, and adding this additional tax would only further strain their financial resources. The broad scope of the tax would impact various industries, making it more expensive for businesses to access essential professional services. This could lead to reduced investments in critical areas such as legal counsel, consulting, and financial planning, ultimately affecting overall business growth and stability. Rather than fostering economic development, this new tax would create hurdles for businesses, potentially discouraging entrepreneurship and expansion.

Specific to credit unions, the new tax on financial planning services under NAICS code 5239 is particularly problematic. Businesses that rely on credit unions for financial planning advice should not have to bear an extra tax for these essential services. Financial planning is a key tool in helping individuals and businesses protect their assets and make informed decisions about their financial future. If a company chooses to work with a credit union to provide financial planning services for its employees, this tax would make it more costly to offer such valuable guidance. In an economy where financial literacy is crucial, imposing additional costs on services that promote responsible money management is counterproductive. Rather than penalizing businesses for seeking financial stability, the government should encourage access to affordable financial planning resources.

Thank you for your time and consideration. We welcome the opportunity to discuss this issue further.

Sincerely,

A handwritten signature in blue ink, reading "John Bratsakis", with a stylized flourish at the end.

John Bratsakis
President/CEO
MD|DC Credit Union Association