



Good afternoon Chair Guzzone and Members of the Committee.

My name is **Jaime Thompson**, and I am the owner of **Nicholynn Advisors**, an accounting and advisory firm located in Queen Anne's County, virtually serving businesses across Maryland and the US.

I am writing today to express my strong opposition to SB 1045, which would impose a 2.5% sales tax on business-to-business (B2B) services, including accounting, tax preparation, payroll, and other essential professional services that businesses rely on to operate successfully.

This proposal is deeply concerning because:

- **It increases costs for small businesses.** Businesses already face rising costs for compliance, payroll, and operational expenses. Adding a tax on services like accounting and tax preparation creates a **pyramid effect**, where businesses are taxed on the very services that help them remain compliant with tax laws. Ultimately, these costs will be passed on to Maryland consumers.
- **It disproportionately harms small businesses and startups.** Many small businesses don't have in-house accountants or financial experts and rely on firms like mine to navigate tax laws, financial planning, and compliance. Taxing these services places an additional burden on the businesses that can least afford it.
- **It puts Maryland at a competitive disadvantage.** No neighboring states impose this type of tax on accounting and professional services. Businesses will be incentivized to seek these services outside Maryland, or worse, relocate their operations altogether.
- **It adds unnecessary administrative complexity.** Accounting firms already work to ensure businesses meet Maryland's complex tax and compliance requirements. This bill would add another layer of tax compliance for both service providers and clients, increasing the administrative burden on businesses across the state.

Maryland businesses should not be penalized for seeking professional expertise that helps them remain compliant, financially stable, and competitive.

For these reasons, I respectfully urge an **UNFAVORABLE** report on SB 1045. Thank you for your time and consideration.

Sincerely,

Jaime Thompson, Owner
Nicholynn Advisors, LLC