

10 March 2025

Senate Budget and Taxation Committee  
Annapolis, Maryland

RE: OPPOSE SB 1045 - Sales and Use Tax - Taxable Business Services – Alterations

Committee Members:

I am submitting my testimony **opposing SB 1045**.

As a CPA who has worked as both a CFO and a consultant to Maryland construction contractors, as well as a past chair of the American Subcontractors Association, I am intimately aware of the impact of additional taxes on the bottom line of these businesses. Their profits are already being squeezed by higher costs from labor shortages, increased tariffs and higher interest rates. ANY additional taxes only squeeze contractor's ability to continue to work and thrive in Maryland.

I have other questions about this proposed tax. How do we implement this when many of these services can be provided by out-of-state providers? How do we promote Maryland as a business-friendly state when we keep adding business taxes? And if you must implement sales tax on services, how do you justify not including legal services from this tax? Finally, have you considered that other states have attempted to implement these taxes and have had to repeal them?

I understand the challenges that we face in Maryland this session. However, I hope you will consider the long term effects of a tax that puts the burden on businesses that can least afford that burden. I hope you will not vote NO to SB 1045.

Respectfully submitted,

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