

Thank you for taking the time to read my written testimony.

I am opposed to House Bill 1554, “Sales and Use Tax – Taxable Business Services – Alterations,” and would like to urge you to vote no on that bill.

This proposed legislation will cripple small businesses, drive up costs, and hurt CPAs statewide. This proposed legislation will also charge a tax on tax preparation. Instead of being able to tell my clients what tax they owe, they will have to pay additional tax just for me to be able to tell them what they owe! This legislation will just make businesses and consumers travel out of state to receive their services. No place in Maryland is very far geographically from another state that doesn't charge a sales tax on accounting services. Furthermore, technology allows anyone to work with accountants from anywhere, so even those businesses and consumers not inclined to drive a little further away will just look online for other accounting firms who don't have to charge sales tax. These businesses and consumers will just cross state lines, whether physically or virtually, meaning that Maryland accounting firms will lose business and eventually close themselves, and will stop paying taxes themselves, which will lead to an even greater deficit for the state.

This proposed legislation will increase costs, stifle growth, and weaken our state's competitiveness. Please vote no for HB 1554.

Please do not hesitate to contact me if you have any questions.

Thank you.

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