



House Bill 1554

Date: March 10, 2025

Committee: House Ways and Means Committee

Position: Opposed

Dear Chairwoman Atterbeary and Members of the Committee,

As the President and CEO of the Harford County Chamber of Commerce, I write to express strong opposition to House Bill 1554, which would expand Maryland's sales and use tax to essential business-to-business (B2B) services. The Harford County Chamber of Commerce represents over 615 businesses/organizations, which reflects over 20,000 employees. An overwhelming majority of our membership states that HB 1544 will negatively impact their operations and have adverse effects on their sustainability. In addition to having to pass this tax onto consumers due to diminishing profit margins, many members express the added burden of administrative costs as a negative impact of HB 1544.

While we understand Maryland faces budget challenges, implementing a B2B service tax represents a short-term fix that would create significant long-term problems for Maryland's economy and competitiveness. There are several specific reasons why this legislation would harm Maryland businesses:

- **Disproportionate Impact on Small Businesses**
- **This legislation Will Result in Pyramiding Taxes**
- **Competitive Disadvantage in the Region**
- **Administrative Burden and Compliance Costs**
- **Dangerous Precedent for Future Taxation**
- **Cascading Tax Effect**

While we support efforts to ensure Maryland's fiscal stability, the most effective approach to address budget challenges is to focus on policies that encourage business growth and economic expansion. A thriving business community naturally generates increased tax revenue through job creation and economic activity.

On behalf of the Harford County Chamber of Commerce's Board of Directors and members, I urge you to and the members of the General Assembly to carefully evaluate the implications of this legislation, reject HB 1554, and advocate for policies that support a thriving business environment in our state.

Sincerely,

Angela M. Rose
President & CEO

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