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March 10, 2025,

Dear Maryland Representatives,

The proposed business-to-business (B2B) sales tax in HB 1554/SB 1045 is a dangerous precedent that will inevitably lead to even more tax expansions. If history is any indication, Maryland won't stop at the currently targeted business services. Once established, other industries will be next, and the burden on small businesses and consumers will continue to grow.

As a small business owner, sole proprietor of a consulting business, I am wary of the added accounting and tax preparation burden that I would be forced to take on and of the added tax that would be passed on to my clients, most of whom are small businesses or non-profit organizations already pulling back in this time of economic uncertainty. I am also wary of the effect of paying this tax to those who provide services to my business- CPA, web services, and computer tech support. These services are already quite expensive for a small business, let alone an added service tax on top of each one. It is clear that this B2B tax would have a major impact on small businesses in Maryland, and even greater ramifications for Maryland's businesses if expanded in the future.

Other states have considered B2B taxes, but most have repealed or rejected them because they lead to job losses, lower wages and businesses leaving for more competitive states. Maryland should learn from those mistakes, not repeat them.

The harmful impact of this tax extends far beyond businesses to consumers, who will face higher prices for everyday goods and services as these costs are passed through the economy. I strongly urge you to vote NO on HB 1554/SB 1045, to prevent Maryland from starting down this problematic path, to keep Maryland competitive, and to keep Maryland's small businesses in business!

Sincerely,

Leslie H. Cario
Principal, Chesapeake Horticultural Services