Statement In Opposition by Choice Hotels International, Inc.
Wednesday, March 12, 2025
House Ways and Means Committee
HB 1554

Choice Hotels International, Inc., headquartered in North Bethesda, MD, submits these comments in opposition to House Bill 1554, which would impose sales tax on a broad array of business to business services.

Sales Tax on B2B Services

Choice Hotels is opposed to the imposition of sales tax on services provided to businesses in Maryland. This would constitute an unprecedented, job-killing tax on businesses that have invested in the state.

Maryland recently expanded its sales tax base, and then quickly reversed course when it realized the damaging effect this would have on businesses based in Maryland and on the state's economic base.

Such a tax would represent bad tax policy because it imposes tax at many levels of the supply chain rather than simply collecting tax on the end-user of taxable goods and services. This measure is an example of "tax-pyramiding" imposing multiple layers of non-transparent taxation leading to inefficient economic outcomes.

Maryland might enjoy a brief uptick in sales tax revenue if this bill becomes law, but the state would certainly suffer from reduced tax revenue as businesses begin to re-locate offices, facilities and other operations outside the state.

Choice Hotels appreciates the opportunity to provide these comments on House Bill 1554.

About Choice Hotels

Choice Hotels International, Inc., headquartered in North Bethesda, MD, is one of the largest lodging franchisors in the world. The one to watch in upscale and a leader in midscale and extended stay, Choice Hotels has over 7,500 hotels, representing nearly 635,000 rooms, in 45 countries and territories. A diverse portfolio of 22 brands that range from full-service upper upscale properties to midscale, extended stay and economy enables Choice Hotels to meet travelers' needs in more places and for more occasions while driving more value for franchise owners and shareholders.