

TESTIMONY

March 11, 2025

Committee: House Ways and Means Committee

Bill: HB 1508 – Baltimore City - Sales Tax – Authorization

Position: Support with amendment

Reason for Position:

The Maryland Municipal League supports HB 1508 with an amendment. As introduced, the bill authorizes Baltimore City to establish a local sales tax up to 2%.

Maryland's municipal governments are responsible for providing everyday essential services to its two million residents and the millions of individuals that visit each year but are limited in their authority to raise the necessary revenues to fund these services. The only meaningful source of revenue municipalities exercise control over is property tax. The current structure is simply not sustainable. Homeowners are feeling the pressure, and so is the Maryland housing market.

This is why the League is asking for an amendment to extend the local sales tax option in HB 1508 to all local governments. Thirty-three percent of all sales tax in Maryland is collected in municipalities (including Baltimore City, ~25% without), which make up ~5% of the land mass of the State. However, local governments lack a revenue source that accounts for the public support needed to facilitate these sales.

It is critically important that we have the enabling authority to raise the revenue necessary for local governments given the current trickle-down financial strain.

For these reasons, the Maryland Municipal League respectfully requests a ***favorable*** report on House Bill 1508 with our amendment. For more information, please contact Justin Fiore, Deputy Director of Advocacy and Public Affairs, at justinf@mdmunipal.org. Thank you in advance for your consideration.

The Maryland Municipal League uses its collective voice to advocate, empower and protect the interests of our 160 local governments members and elevates local leadership, delivers impactful solutions for our communities, and builds an inclusive culture for the 2 million Marylanders we serve.

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