



Maryland Farm Bureau

3358 Davidsonville Road | Davidsonville, MD 21035
410-922-3426 | www.mdfarmbureau.com

March 12, 2025

To: House Ways and Means Committee

From: Maryland Farm Bureau, Inc.

RE: Opposition HB1554 - Sales and Use Tax - Taxable Business Services – Alterations

On behalf of the nearly 8,000 member families of the Maryland Farm Bureau, I submit written testimony in opposition to HB1554 Sales and Use Tax - Taxable Business Services – Alterations which proposes an expansion of the sales and use tax to include a broader range of business services.

Agriculture is not just a sector of Maryland's economy; it is its backbone. Many of the newly taxable business to business services outlined in the bill such as accounting, consulting, equipment repair, and property maintenance are not luxuries but essential components of farm operations. These proposed tax increases directly threaten the financial viability of farms, which already operate under intense economic pressure. Raising the cost of these necessary services will make it significantly harder for farmers to maintain their equipment, manage their businesses, and compete in an increasingly challenging market.

Furthermore, the agriculture industry is uniquely vulnerable to fluctuations in costs, as farm incomes are largely dependent on unpredictable factors such as weather, commodity prices, and market demand. Unlike other industries, farmers have virtually no ability to pass these added costs on to consumers. This bill will effectively penalize those who provide the food, fiber, and fuel that sustain our communities. If enacted, it will weaken rural economies, jeopardize family farms, and make it even more difficult for the next generation of farmers to succeed.

While we understand the need for revenue, we urge lawmakers to recognize that taxing the essential services that keep farms running is neither fair nor sustainable. We strongly encourage you to reconsider this proposal and explore alternatives that do not place an undue burden on Maryland's agricultural community.

We would welcome the opportunity to discuss this issue further and advocate for solutions that support both economic growth and the preservation of Maryland's farming heritage. Thank you for your time and commitment to the future of our state's agriculture.

Maryland Farm Bureau Opposes HB1554

Tyler Hough

Director of Government Relations

Please contact Tyler Hough, though@marylandfb.org, with any questions