



*Maryland Association of Green Industries, Inc.*

March 12, 2025

House Ways and Means Committee  
130 Taylor House Office Building  
Annapolis, Maryland 21401

Ref: HB 1554 -Sales and Use Tax - Taxable Business Services – Alterations – **Unfavorable Report**

Chairwoman Atterbeary, Vice Chairwoman Wilkins and Members of the Committee,

I am President of the Maryland Association of Green Industries, Inc. (MAGI). Our members mostly include lawn care companies, golf course superintendents and pest control companies/exterminators. Most of our members provide services to residential and business customers in Maryland.

We are strongly opposed to any additional tax burdens that affect businesses in Maryland, especially small businesses like many of our members have. We understand that the State is in a very difficult financial situation right now but many of our members are having a tough time because of inflation and the economy in general. Given the current situation in Washington, many customers or potential customers are hesitant to spend money. This tax just adds to our costs and theirs as well to do business in the state.

In addition to the 2.5% we would have to charge our business clients, we would have to pay the 2.5% more for most of the services we use now like IT, accounting, advertising agencies, lawyers just to name a few. We have seen on television interviews some legislators saying that this will mainly affect big business. Big businesses have the resources to implement things like this easily. It is the small businesses that have the undue burden to accommodate the requirements of HB 1554.

Most of our Industry members are not set up to charge sales tax for our services. Asking these companies, especially the small companies to get their computer systems set up to charge sales tax with a July 1<sup>st</sup> implementation date is unreasonable. Many of our clients prepay in January or February for services to be done later in the year. Are we to go back and charge them just the 2.5% when we complete the services they already paid for?

Maryland already has a reputation for being a high-tax state that is unfriendly to business. Whether that is true or not, that is the perception. Adding B-to-B services tax will add to that perceived reputation.

We respectfully ask the Committee for an **unfavorable report on HB 1554.**

Thank you.

Mark Schlossberg, President  
M.A.G.I.