

Hello Delegate Moon,

I am writing to express my strong opposition to HB1554 and SB1045. These bills would impose unnecessary burdens on businesses and further strain taxpayers who already contribute significantly to Maryland's tax base. Rather than fostering economic growth, these measures would hinder business operations, discourage investment, and push taxpayers toward more favorable jurisdictions.

Unlike any of our neighboring states, Maryland is considering a tax that will be both punitive and avoidable—simply by relocating across state lines. This will erode our income base over time as businesses and individuals seek refuge in states with more competitive tax structures. Given how easily one can move out of Maryland while continuing to work and do business here, the long-term impact of these bills could be a net loss in revenue rather than a gain.

Furthermore, this tax will disproportionately affect small and medium-sized businesses, as well as middle-class taxpayers—despite previous assurances that their tax burden would remain unchanged. Large corporations with in-house accounting and tax teams will find ways to avoid these additional costs, leaving small business owners and individual taxpayers to bear the brunt of the burden. In addition to the actual tax burden, as we've seen with other MD tax roll outs, the administrative burden will increase significantly on these small businesses. Not only will they have to register their business, file their returns, file PPT returns, opt out of MD Saves, file and pay MD SUI, now you expect them to have to file and pay monthly sales tax returns.

At a time when Maryland's economy is already facing significant challenges, we should be enacting policies that encourage business growth and economic stability, not ones that create additional financial and administrative hurdles. I strongly urge you to oppose HB1554 and SB1045 and instead focus on measures that support Maryland businesses and working families.

Thank you for your time and consideration. I would welcome the opportunity to discuss this matter further.

David Friedland, CPA