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OFFICE OF THE COUNTY COMMISSIONERS WESTON'S. YOUNG, P.E.

CHIEF ADMINISTRATIVE OFFICER

CANDACE I. SAVAGE, CGFM

ROSCOE R. LESLIE

Morcester County

GOVERNMENT CENTER ONE WEST MARKET STREET . ROOM 1103

SNOW HILL, MARYLAND 21863-1195

March 10, 2025

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

Dear Chair Atterbeary and Committee Members:

Worcester County is strongly opposed to House Bill 1554. This legislation would tax transactions between businesses for a variety of services that small businesses rely on to operate. While this new tax might provide an initial revenue boost for the state, long-term it will do nothing but harm the economy. Businesses are already struggling with inflation and uncertainty. Mandating an additional tax on services they depend on will simply add to the financial pressure they are already facing. It also puts them at a competitive disadvantage, as neighboring states do not have a similar tax. Here in Worcester County, with Virginia and Delaware just minutes away, businesses will likely just begin using services based in those states to avoid the additional tax.

While we want to see Maryland move toward fiscal stability, we believe the best way to do that is to encourage business growth and economic expansion, not through additional taxes. We urge you to issue House Bill 1554 an unfavorable report. Thank you for your time and consideration.

> Sincerely, dong Ildas

Theodore J. Elder

President