



February 24, 2025

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

Subject: HB997 - Admissions and Amusement Tax - Food and Beverages

Position: FAVORABLE

Chair Atterbeary and Members of the House Ways & Means Committee:

We are writing in support of HB 977, which would give the City of Gaithersburg a new way to generate revenue through the Admissions and Amusement tax. This is a priority bill both for Gaithersburg as well as the Maryland Municipal League.

No longer a sleepy suburban community, Gaithersburg is now among the state's largest municipalities, attracting thousands of employees and visitors daily. Approximately 35,000 people work within Gaithersburg's city limits, including nearly 3,000 at the National Institute of Standards and Technology (NIST) and an equal number at AstraZeneca's North American R&D headquarters. Gaithersburg is also a hub for retail and restaurant activity, clustered within mixed-use communities such as Crown, Rio, and Kentlands, as well as in the Olde Towne Central Business District. Our employers and amenities have helped make Gaithersburg the vibrant destination it has become, and we cannot overstate how much we value and appreciate their investments and contributions to the city's economy and culture. That said, commercial uses do place a higher demand on infrastructure and public services- such as police, parks, and public works- and those are costs that cannot and should not be borne entirely by our residents.

The City of Gaithersburg currently collects a 10% Admissions and Amusement (A&A) tax on amusement sales and 5% on rentals, such as athletic equipment and ski rentals. The approximately \$1.8M in A&A revenue collected annually in Gaithersburg most certainly helps the city fund core service delivery. However, that total represents barely 2% of all revenue collected by city government and covers but a fraction of the costs budgeted for critical municipal projects and programs. We believe that legislation enabling an expansion of the A&A Tax will not only help the City of Gaithersburg better cover such expenses and defer potential real property tax increases for its residents, but also ensure that non-residents who use and benefit from the city's premier services bear a portion of those costs more fully and equitably.

For these reasons, we respectfully request a favorable report on HB 997. Thank you for your consideration.

Respectfully submitted,

Jud Ashman, Mayor
City of Gaithersburg

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