

OPPOSE HB1554

I am writing to express my strong opposition to House Bill 1554, which seeks to expand Maryland's sales and use tax to a broad range of business-to-business services. While I understand the state is facing a fiscal crisis and staring down a growing budget deficit, the consequences of this bill will be devastating for Maryland businesses, workers, and consumers alike.

By imposing a tax on essential services such as payroll, IT support, marketing, and consulting, HB 1554 will increase the cost of doing business in Maryland, forcing many companies—especially small businesses—to either absorb unsustainable costs, pass them on to consumers, or reduce their workforce. Many businesses that rely on these services, including startups and nonprofits, will struggle to survive under this additional financial burden.

Furthermore, this tax would create a competitive disadvantage for Maryland businesses, driving them to seek service providers in neighboring states with no such tax. The result would be an exodus of jobs and business investment, harming Maryland's long-term economic outlook. Additionally, this form of taxation risks double taxation as multiple layers of service are taxed in the supply chain, ultimately leading to price hikes across industries.

Maryland's economy will only begin to thrive when businesses can grow, create jobs, and innovate without undue government interference. Rather than imposing harmful taxes, the state should focus on policies that promote economic expansion and job creation. For these reasons, I urge you to oppose HB 1554 and vote against its passage.

Sincerely,
Mark Meyerovich
Gaithersburg, MD