March 10, 2025

To the Honorable Members of the Maryland General Assembly,

I am writing out of concern for the Business to Business Sales Tax proposal. This is simply not good fiscally for our taxpayers and it will be an additional burden on businesses. We seem to have a spending problem more than a challenge with revenue in this state. The Blue Print plan, while it may be great, is not affordable. However, if everyone in the Assembly feels revenue needs to be raised, let's look at things that don't upset individuals as much. For example, there is a non-resident deduction for beneficiaries of trusts that allows non-Maryland taxpayers to avoid Maryland income tax. I would hope that you are looking out the citizens of this state and not others. I would look at eliminating this deduction to raise revenue without reaching into the pockets of Marylanders. In addition, the 1% inheritance tax that used to be charged years ago was abolished in the late 1990s when the economy was good. That is easier for taxpayers to swallow as none of us are guaranteed an inheritance, so it is similar to hitting the lottery. Receiving $99,000 from an estate instead of $100,000 is not cause for screaming. Taxing people on their hard-earned money with auto registration, sales tax and income tax increases will drive people to move away and then you will have a revenue issue. I have been practicing estates for 35 years (since I was 20) and never heard people complain when the 1% inheritance tax was in place. The biggest complaint was "How soon will I get my money from the estate?". I realize everyone will throw out the small business or the family farm and how they can't afford the crushing 1% inheritance tax. Well Boo Hoo. My son is considering accounting and if I were to die and leave him a turn key business, I don't think he will be too upset to pay 1% to get a business worth 100 times more. If the 1% is so dire that it would hurt my business, then my business was on the verge of financial collapse anyway and had bigger issues. If it gets sold, it would not be due to the whopping 1% tax, but because he had to sell to pay off other beneficiaries in the estate, which is typically the case with businesses and farms from my experience (or lack of planning). In short, these two items I pointed out are only in the area of estates and trusts. What other revenue raisers that aren't as brutal to the taxpayers of this state are you not seeing? Most of you probably don't specialize in the estate/trust arena, so you would not know this. Therefore, you need to speak with some experts in other areas as well so you can get the budget back on track.

Thank you for your time and consideration.

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