



CITY TAKOMA OF PARK MARYLAND

Support House Bill 997 - Admissions and Amusement Tax - Food and Beverages **Ways and Means Committee** **February 24, 2025**

The City of Takoma Park, Maryland supports and urges favorable consideration of House Bill 997, which would enable municipalities to establish an up to 3 percent food and beverage sales tax.

The City of Takoma Park, situated in Montgomery County, boasts three vibrant commercial districts. These districts attract visitors from across the region. HB 997 proposes allowing municipalities to levy a tax on certain sales of food and beverages consumed on-site. This tax would provide local governments with a vital revenue stream which we can use to support our local businesses.

This bill also ensures that towns and cities can fund essential community services and infrastructure projects without solely relying on property taxes or state aid. For example, communities must support the road infrastructure and ensure pedestrian safety in and around its commercial districts. By setting a maximum tax rate of 3% on food and beverage sales, municipalities can strike a balance between generating necessary funds and maintaining a favorable business environment for local eateries and vendors.

In addition, this tax demonstrates a thoughtful approach to tax policy, targeting only those transactions that contribute significantly to the local economy. This combined tax strategy allows municipalities to diversify their revenue streams while respecting the needs of businesses and consumers. Overall, granting municipalities autonomy to implement such taxes empowers communities such as the City of Takoma Park to address their unique fiscal challenges and invest in the well-being and development of their communities.

The City of Takoma Park supports HB 997 and urges a favorable committee vote.