

House Bill 1508
Baltimore City - Sales Tax - Authorization

March 11, 2025

Position: **OPPOSE**

Madame Chair and Members of the Ways and Means Committee:

The Restaurant Association of Maryland strongly opposes House Bill 1508. This legislation would enable the Mayor and Baltimore City Council to impose an additional sales tax of up to 2 percent on retail sales in the City. This local sales tax would be in addition to the 6 percent State sales tax on food and 9 percent sales tax on alcohol at restaurants and bars.

This local sales tax would increase costs for customers who patronize Baltimore City restaurants and bars, and would encourage them to take their business to restaurants/bars located outside the City. Customer traffic and sales at these City businesses would decrease, resulting in reduced working hours and job losses for restaurant/bar employees.

Many City restaurants are already struggling with lackluster sales. Due to lifestyle changes and remote work policies for many office employees, customer volume has not returned to pre-pandemic levels. With razor-thin profit margins and flat sales, it is becoming increasingly difficult for many restaurants to survive. A recent *Baltimore Sun* [article](#) reported multiple restaurant closures in Baltimore's Fells Point, for example. Baltimore City restaurants and bars do not need an additional, local sales tax compounding other operational challenges.

Passage of this legislation would set a precedent that other jurisdictions would surely want to follow. The General Assembly has rightfully resisted previous attempts to give sales tax authority to local jurisdictions. Sales tax authority should remain at the State level only.

For these reasons, we respectfully request an unfavorable report.

Sincerely,



Melvin R. Thompson
Senior Vice President
Government Affairs and Public Policy