

MARYLAND RETAILERS ALLIANCE

The Voice of Retailing in Maryland



HB1508 Baltimore City - Sales Tax - Authorization Ways and Means Committees March 11th, 2025

Position: Unfavorable

Summary: HB1508 would authorize the Baltimore City government to increase the sales and use tax within that jurisdiction.

Written Comments: The Maryland Retailers Alliance (MRA) strongly opposes the proposal to allow a regional increase to the State Sales and Use Tax within the City of Baltimore. While we understand the need to pay for education funding mandates, we believe that this surcharge on retail sales is unfair and counterproductive, especially in an already economically strained region.

Increasing the sales tax locally will directly raise the cost of goods for consumers, placing an unnecessary financial burden on low- and middle-income households. These families are already struggling with rising costs in housing, food, and healthcare, and adding another surcharge on everyday purchases will only worsen their financial difficulties.

A local tax increase would also undermine the overall business competitiveness of retailers located in Baltimore City. Consumers in the city with ready access to transportation would likely start shopping outside in neighboring counties, ultimately reducing local sales and tax revenue. Furthermore, the surcharge may discourage investment in these regions, making the City less attractive for new businesses. Entrepreneurs typically seek out areas with favorable economic conditions, and adding another tax burden on retail sales could discourage them from establishing new businesses in these regions. Retailers play a critical role in the economy, employing thousands of workers in the Baltimore region. Imposing this tax could negatively affect job growth, as businesses may need to reduce hiring or even cut back on their workforce as a result of reduced sales.

For these reasons, we respectfully urge the committee to issue an unfavorable report on HB1508. Thank you for your time and consideration.