

Adrian G. Simmons, CPA
Elements CPA LLC
324 Main Street, #159
Laurel, MD 20725-0159

10 March 2025

Chairwoman Vanessa E. Atterbeary et. al
House Ways & Means Committee
Maryland General Assembly
Annapolis, Maryland 21401

RE: OPPOSE HB 1554, Sales and Use Tax - Taxable Business Services - Alterations

Dear Chairwoman Atterbeary and House Ways & Means Committee:

I am writing today as a lifelong resident of Maryland, a small business owner, and a CPA who has served Maryland-based small businesses for over 23 years.

And I ask that you and fellow members of the House Ways & Means Committee oppose HB 1554.

This bill is a bad idea on so many levels, some of which include:

1. **Maryland is already struggling to attract and retain businesses compared to other states.** Last year, CNBC ranked Maryland 47th in the *cost of doing business* and 37th in *business friendliness*. This policy will further drive business owners and innovation elsewhere, including DC, Virginia, and Pennsylvania.
2. This is especially true since so many of the services affected can be provided virtually, such as the accounting space I practice in, but also the IT space, consulting space, and more. These services are increasingly, if not dominantly, already being provided online, so **switching providers to an out-of-state supplier is very easy.**
3. But practically speaking, **it also disproportionately affects the small business owner.** I day-in, and day-out, (especially this time of year) talk with and serve small business owners. They are almost universally concerned about how their business is doing, the outlook for the economy, and the impact it will have on them. They have experienced dips in their revenues combined with increases in their costs. Increasing their compliance costs is adding salt to their wound.
4. Other states (Michigan in 2007 and Florida in 1987) passed similar measures, but quickly saw a backlash that resulted in repeal. **We can learn from their mistakes and let Maryland small business owners know their legislators support them.**

Thank you for your time and consideration, and I hope you and the Committee find for “No” to HB 1554.

Sincerely,



Adrian G. Simmons, CPA
301-604-3247