

House Bill 1554**Date: March 12,2025****Committee: House Ways and Mean Committee****POSITION: OPPOSED**

Dear Chairwoman Atterbeary and the Members of the Committee

As a local business woman-owned organization - The Market Hub LLC, I am writing to express strong opposition to House Bill 1554, which would expand Maryland's sales and use tax to essential business-to-business (B2B) services. This proposal would create a new 2.5% tax on a wide range of services that businesses rely on daily, especially small businesses.

I want to make this very simple for you to understand the impact that this would have on small businesses.

Say I buy a product at wholesale for \$5.00. Let's assume this is a great economy and I can price the item MSRP at \$10.00 then this would be the break down:

Product Cost		\$5.00
Labor 25%		\$1.25
Leaves the owner		\$3.75
Out of that comes:		
Office (supplies,tech, security,cleaning)	25%	.94
Utilities	10%	.38
Mortgage/Property taxes	28%	1.05
Marketing	5%	.19
Insurance	5%	.19
Maryland Sales and Use Tax NEW 8% + 2.5%	10.5%	.39
Business owner receives		\$.61

Which means I cannot even buy another one of those products at wholesale cost \$5.

Lastly, within Washington County Maryland we have lost a lot of businesses to Pennsylvania and West Virginia due to permit and planning code regulations, land costs and building costs and code costs.

I urge you and your members to NOT implement this legislation, REJECT HB 1554.

Please advocate for the little people you claim to support.

Sincerely,

Jill Hudson, Owner of The Market Hub LLC