



**MARYLAND STATE  
LICENSED BEVERAGE ASSOCIATION**

150 E Main Street, Suite 104, Westminster, MD 21157

House Ways and Means Committee

March 11, 2025

House Bill 1508 – *Baltimore City – Sales Tax – Authorization*

**POSITION: OPPOSE**

The Maryland State Licensed Beverage Association (MSLBA), which consists of approximately 850 Maryland businesses holding alcoholic beverage licenses (restaurants, bars, taverns and package stores), opposes House Bill 1508.

House Bill 1508 would allow the Mayor and City Council of Baltimore to impose up to an additional 2% sales tax on retail sales of tangible personal property in the City. This tax would be in addition to the current 9% sales tax imposed on alcohol and the 6% sales tax imposed on other items, such as food purchased in a restaurant.

The Maryland General Assembly has widely declined prior efforts to provide local governments with the authority to impose local sales taxes, and more recently has not passed legislation that would have imposed a local admissions and amusement tax on food and beverage that effectively operates like a local sale tax. If enacted, House Bill 1508 sets a precedent that would surely seek to be followed by other jurisdictions outside of Baltimore City.

The Legislature has rebuffed these attempts in the past because it recognized that such authority would create disparities in the tax rate among Maryland's jurisdictions that would harm businesses in the more highly taxed counties. It would also erode the General Assembly's ability to adjust the State sales tax rate and still remain competitive with surrounding states, because local jurisdictions would also have a say in the final rate paid by customers.

Finally, the sales tax applies to all consumers equally, regardless of ability to pay, making it a regressive form of taxation. With the cost of consumer goods already posing serious economic challenges for Maryland consumers, House Bill 1508 should not be adopted because it only compounds these challenges by adding up to 2% to every consumer purchase.

For these reasons, the MSLBA opposes House Bill 1508.

**For more information call:**

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