



March 12, 2025

**Senate Budget & Taxation Committee  
House Ways and Means Committee  
TESTIMONY IN OPPOSITION**

*HB 1554/SB 1045: Sales and Use Tax – Taxable Business Services – Alterations*

House Bill 1554

Chair Vanessa E. Atterbeary  
House Ways and Means Committee  
130 Taylor House Office Building  
Annapolis, Maryland 21401

Senate Bill 1045

Chair Guy Guzzone  
Senate Budget & Taxation Committee  
3 West Miller Senate Office Building  
Annapolis, Maryland 21401

Behavioral Health System Baltimore (BHSB) is a nonprofit organization that serves as the local behavioral health authority (LBHA) for Baltimore City. BHSB works to increase access to a full range of quality behavioral health (mental health and substance use) services and advocates for innovative approaches to prevention, early intervention, treatment and recovery for individuals, families, and communities. Baltimore City represents nearly 35 percent of the public behavioral health system in Maryland, serving over 100,000 people with mental illness and substance use disorders (collectively referred to as “behavioral health”) annually.

**BHSB opposes HB 1554/SB 1045: Sales and Use Tax – Taxable Business Services – Alterations as this bill fails to address how the 2.5% tax on a broad set of business-to-business service categories would impact the non-profit sector.**

As a non-profit organization, BHSB utilizes services provided by the private sector that are slated to be taxed in this bill. Although, non-profits are tax exempt organizations, the Committees should be concerned about how the private sector will manage an increase in the sales tax when it cannot be passed on to the consumer. BHSB urges the committee to clarify how an increase in the sales tax would impact non-profit organizations.

***For more information, please contact Adrienne Breidenstine, 443-908-0503***