



Maryland Veterinary Medical Association (MDVMA)

Established in 1886, MDVMA is a volunteer, non-profit organization comprised primarily of licensed Maryland Veterinarians.

HB1554 - Sales and Use Tax - Taxable Business Services - Alterations

Committee: Ways and Means

March 10, 2025

MDVMA Position: OPPOSE

The Maryland Veterinary Medical Association (MDVMA) is a dedicated community of veterinary professionals committed to advancing veterinary medicine and improving the lives of those it serves. For this reason, we strongly urge your opposition to HB1554. On behalf of our members, we are deeply concerned that the proposed service tax on essential business services will increase operational costs for veterinary practices, limit access to care for pets and animals, and jeopardize the financial stability of clinics—particularly those in rural and underserved areas.

Veterinarians depend on a variety of essential services—such as accounting, bookkeeping, payroll, IT, web hosting, marketing, landscaping, property maintenance, and repair services—to run their practices efficiently. The imposition of a service tax on these necessities will drive up business costs, which will inevitably be passed on to clients, exacerbating the already exorbitant cost of veterinary care for pets and food animals. This added expense could discourage pet owners from seeking preventive care, ultimately harming the health of animals and increasing the financial burden on owners. For food animal care, these costs will ripple down the supply chain, burdening Maryland consumers who are already struggling.

Furthermore, while there is an expressed need to expand veterinary services across the state, HB1554 would undermine these efforts by imposing a service tax on relief veterinarians and 1099 contractors. Over time, this will reduce revenue for practices, potentially leading to layoffs, salary cuts, and closures, which would significantly impact employment in the veterinary field. Smaller, rural, and underserved veterinary clinics, already operating with limited clientele and lower income, would be especially affected, reducing their capacity to provide essential care and leaving these communities with fewer resources for animal health.

Given the significant negative impact on veterinarians, their clients, and the wider Maryland community, the MDVMA strongly requests an unfavorable report on HB1554.

Respectfully Submitted,

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MARYLAND VETERINARY MEDICAL ASSOCIATION

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