



OUR MISSION:

Working to enhance the economic prosperity of greater Silver Spring through robust promotion of our member businesses and unrelenting advocacy on their behalf.

March 10, 2025

The Honorable Delegates Atterbeary and Wilkins
and Members of the Ways & Means
Committee
House Office Building
6 Bladen St.
Annapolis, Maryland 21401

Dear Chairpersons, Barnes and Chang and Members of the Committee:

My name is Stephanie Helsing, and I am the President and CEO of the Greater Silver Spring Chamber of Commerce. On behalf of the Greater Silver Spring Chamber of Commerce, representing more than 320 employers, mostly small and minority owned businesses, in greater Silver Spring and surrounding areas in Montgomery County, we are submitting these comments of strong opposition to **House Bill 1554 -- Sales and Use Tax - Taxable Business Services – Alterations** being heard in the House Ways and Means Committee on March 12, 2025.

House Bill 1554 proposes a 2.5% tax on business-to-business services in Maryland, potentially burdening businesses with an additional \$1 billion of taxes annually. Our chambers argue that taxing business-to-business services is fundamentally flawed policy and unfairly balances the budget on the backs of businesses.

We are deeply concerned about the negative impact this tax will have on Maryland's already fragile business environment. Unlike Maryland, our neighboring and competitor states do not impose such a significant tax on business services, and neither should we.

The primary burden of this tax will fall on small and mid-sized businesses, which tend to outsource services, operate on tight margins and cannot easily absorb additional costs. These businesses are the backbone of our economy, and increasing their expenses could stifle growth, hinder job creation, and harm Maryland's economic health. With 90% of the businesses in the Greater Silver Spring Chamber being designated as small businesses, in a minority majority, equity focus area, the Chamber worries that their needs have been overlooked.

Policymakers should prioritize policies that support business growth, job creation, and economic expansion in Maryland. This approach is the most effective way to revitalize Maryland's stagnant economy and boost state tax revenues. If this bill passes, it will be the neighboring states that benefit from our loss, growing their tax bases at Maryland's expense.

In summation, the Chamber wants all businesses to succeed and for these reasons, the Greater Silver Spring Chamber of Commerce respectfully requests an unfavorable report for HB1554 Sales and Use Tax. It is the Chamber's position that this legislation will have an egregiously negative impact on the Silver Spring businesses.

Thank you for the opportunity to weigh in on this issue. Should

you have questions, don't hesitate to contact us. Sincerely,

A handwritten signature in cursive script that reads "Stephanie M. Helsing".

Stephanie Helsing
President & CEO