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

RE: House Bill 1508 - Baltimore City - Sales Tax - Authorization - UNFAVORABLE

Dear Chair Atterbeary,

While our client, the Building Owners and Managers Association of Greater Baltimore (BOMA), did not take a formal position on this legislation when it was heard in the Ways and Means Committee on March 11th, we believe it is important to inform individual Committee members of our opposition to the bill.

BOMA, through its nearly 300 members, represents owners and managers of all types of commercial property, comprising 143 million square feet of office space in Baltimore and Central Maryland. Our members' facilities support over 19,000 jobs and contribute \$2.5 billion to the Maryland economy each year.

BOMA recognizes the serious fiscal challenges that face our General Assembly in 2025, and equally serious problems experienced at our local government level, including Baltimore City. There are difficult choices that must be made.

With that said, we should register our strong objection, as a matter of policy, to the provisions of House Bill 1508 that would add an additional layer of sales tax, imposed by Baltimore City on top of the current State sales and use tax of 6%. The State sales tax is always a key issue for discussion during the annual Maryland General Assembly, with various provisions over the years to expand its scope to include certain services. We note the introduction of House Bill 1554 this year, which is intended to accomplish just such an expansion.

BOMA believes it is important that the State retain the exclusive control to adjust the sales tax, which comprises Maryland's second largest source of general fund revenue – some \$6 billion in this fiscal year.

Furthermore, the effects of enacting House Bill 1508 will not occur in a vacuum. BOMA member buildings include as their tenants many small businesses that provide important services and products to their surrounding communities. Customers of these businesses will, if this bill should pass, be able to choose whether to purchase taxable items in Baltimore City or make the short trip across the city line to purchase them elsewhere. Persons employed and located in buildings in Baltimore City, together with other persons travelling in and out of the city, can easily adjust their buying habits to avoid the tax. We fully expect such behavioral changes to occur if this legislation is enacted, and therefore it will be very difficult to project a stable, substantial revenue stream from this new tax.

For these reasons, we are asking you to oppose this legislation when it is considered by the Ways and Means Committee.

Very truly yours,



Bryson Popham