

House Bill 1554**Date:** March 10, 2025**Committee:** House Ways and Means Committee**Position:** Opposed

Dear Members of the Committee,

As a business owner of CQI Associates, LLC for 30 years in Howard Maryland, I am deeply concerned about HB 1554, which would create a significant additional tax burden on our business operations and be a competitive disadvantage as a Maryland business.

We are currently planning on a recession to begin in the second half of 2025. As we did during the pandemic, our first goal is the preserve the jobs of our current staff and to continue to serve our National and Regional clients.

This proposal would create a new 2.5% tax on a wide range of services that we rely on daily to operate, including accounting, IT support, consulting, and many others.

While we understand Maryland faces budget challenges, implementing a B2B service tax represents a short-term fix that would create significant long-term problems for Maryland's economy and competitiveness. It is time to reduce the overall budget expenditures uniformly prior to considering raising taxes, especially on small businesses.

As a small women owned businesses, we operate on thin margins and lack the resources to absorb new taxes or bring services in-house. Unlike large corporations, small businesses rely heavily on outsourced professional services and other essential functions. This tax would add new annual costs when we are already struggling with economic pressures, potentially forcing

We are considering moving our headquarters operations after 30 years to another state. The tax burdens in Maryland for a small business have increased to a point that we must make a change to remain competitive. Our business is already struggles with current tax obligations and regulations that increase our cost to compete regionally and nationally.

I urge you to vote NO on HB 1554/SB 1045 and help keep Maryland businesses competitive.

Richard Anderson, Chief Operating Officer & Founder

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