



# Maryland Department of Agriculture

*Office of the Secretary*

**Wes Moore**, Governor  
**Aruna Miller**, Lt. Governor  
**Kevin M. Atticks**, Secretary  
**Steven A. Connelly**, Deputy Secretary

*Maryland Agricultural Commission*

Agriculture | Maryland's Leading Industry  
[mda.maryland.gov](http://mda.maryland.gov)

The Wayne A. Cawley, Jr. Building  
50 Harry S Truman Parkway  
Annapolis, Maryland 21401

410-841-5882 Baltimore/Washington  
410-841-5914 Fax

## **Maryland Agricultural Commission**

### **Letter of Concern with B2B Proposed Tax - Senate Bill 1045 / House Bill 1554**

The Maryland Agricultural Commission (the Commission) is charged with the duty of advising the Secretary of Agriculture, proposing agricultural improvements, promoting State agricultural industries and products, and reviewing legislation for its impact on the future of Maryland agriculture. Composed of Governor-appointed leaders that are industry experts and respected agricultural community representatives, the Commission deliberated the proposals outlined in SB1045/ HB1544 during their meeting on March 12th. The Commission holds grave concerns with the impact of a 2.5% business-to-business tax that will profoundly affect the entirety of the agricultural industry.

The agricultural industry in Maryland is an interconnected web of farmers, agricultural service providers, agribusinesses, and an array of seemingly non-agricultural industries that have direct ties and businesses rooted in agriculture; such as the truckers hauling chickens, the welders repairing agricultural equipment, the accountants that understand agribusiness tax structure, and the labor recruiting firm to help connect farmers with workers. All farms are agricultural businesses and must rely on the interconnectedness of the industry for success. A business-to-business tax exacerbates the continued strain that is placed on those who are responsible for providing the food, fuel and fiber to all Marylanders at a cost that is affordable and ensures food is accessible.

The bill, as outlined, references several North American Industry Classification System (NAICS) codes for industries that are broad and encompassing, but have cross referenced NAICS codes that directly will impact agricultural businesses. In the field specifically this bill will impact the cooperative custom precision planters, crop nutrition experts, harvesters and grain processors; fruit and vegetable cooling, packing and transportation to farmers markets and grocery stores; environmental consultants and wetland restoration to protect our Chesapeake Bay; the laboratory testing needed to ensure soil nutrients are balanced and not overapplied, that the seeds planted in Maryland do not contain noxious weeds, and the R&D for the most advanced biotechnology ever available in agriculture; any veterinarian services for all livestock including our 4-H and FFA youth engaged in the fairs; and every single repair on equipment that a farmer may not have the time or expertise to do themselves. Out of the field, this bill impacts the logo design and marketing of our value-added products in the state like jelly, salsa, and wine; it adds expense to the tax preparation, accounting, and labor coordination services that are imperative for success; and the supportive services that keep farmers farming.

Agriculture is Maryland's #1 commercial industry because of its integral reliance on community support and services that are business-to-business but are also farmer-to-farmer. The Maryland Agricultural Commission respectfully requests an agricultural exemption to be included in the proposed bill to ensure that Maryland farmers can continue to operate efficiently to provide the food, fuel and fiber that Maryland depends on.

Kelly Lewis  
Chairman  
Maryland Agricultural Commission