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March 10, 2025

Dear Delegates Atterbeary and Wilkins:

I am writing to ask you to please urge Congress to vote **against** the Maryland Sales Tax on Staffing Firms' bills HB 1554 and SB 1045. Both bills are very harmful to mine and other staffing businesses in our state. As the franchise owner of the Express Employment Professionals offices in Easton and Salisbury, I'm in the business of connecting good people with good jobs at good companies.

In 2023 & 2024, my Express offices did exactly that. By successfully employing over 1000 individuals, we are proud to play a significant role in the economic engine of our state. And we are focused on impacting and expanding to even more people and companies in 2025. Express offices combined employed over 550,000 people across the United States in 2024; we are on track to employ even more in 2025.

Both HB 1554 and SB 1045 are harmful to my business. Here are just a few of the reasons why I'm asking you to vote against these bills:

- **A Sales Tax on Staffing Services is a Tax on Jobs and Will Harm Maryland's Workers and the State's Economy:** Staffing firms employ more than 2.5 million temporary and contract workers in the U.S. every week—nearly 13 million annually—in virtually every job category. In 2024, staffing firms employed over 215,000 people in Maryland.
- **In a comprehensive study commissioned by the American Staffing Association, sales taxes were found to have a significant negative impact on temporary employment:** The study found that taxing staffing effectively raises the cost of labor, which will reduce the demand for temporary services. That, in turn, will reduce total employment and economic activity within the taxing jurisdiction. The job losses that result from taxing staffing services not only reduce expected tax revenue, but also reduce income tax and other tax collections throughout the state. Further, the state can expect a likely increase in unemployment insurance payments and other social welfare costs.
- **A Sales Tax on Staffing Services Hurts Small Businesses in the State:** Taxes on staffing services place small, locally owned businesses at a competitive disadvantage. Small businesses often rely on outside firms to provide them with accounting, bookkeeping, secretarial, and other services, many of which are provided by staffing firms. It raises the cost of doing business for small companies, since, unlike larger firms, they generally do not have the ability to avoid the tax by hiring in-house staff.



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- **A Sales Tax on Staffing Services Results in “Tax Pyramiding”:** When customers of staffing firms absorb sales taxes, this creates an unfair pyramiding of taxes where the final product or service is also likely subject to sales taxation. Such “pyramiding” is harmful to consumers, who effectively are taxed at least twice on the same product.
- **Imposing a Sales Tax on Staffing Services Places the State at a Competitive Disadvantage with Neighboring States:** Because sales taxes exert a significant dampening effect on jobs and overall economic activity, a state that taxes business services will likely find itself at a competitive disadvantage with neighboring states that do not.

My ask is simple: I urge Congress to vote **against** the Maryland Sales Tax on Staffing Firms’ bills HB 1554 and SB 1045 in order to save mine and other staffing businesses in our state, as we continue to put people to work!

Thanks in advance for your support.

Sincerely,

A handwritten signature in black ink, appearing to read "Mary Ellen Carter", written in a cursive style.

Mary Ellen Carter
Owner