



Barbara Noveau, Executive Director, DoTheMostGood—Montgomery County

COMMITTEE: Ways and Means

TESTIMONY ON: HB932--21st–Century Economy Sales Tax Act

POSITION: Favorable

HEARING DATE: February 27, 2020

BILL CONTACT: Delegate Marc Korman

To: The Honorable Anne R. Kaiser, Chair, Ways and Means Committee, and Committee Members

DoTheMostGood—Montgomery County (DTMG) is a progressive grass-roots organization with more than 1600 members who live in a wide range of communities from Bethesda near the DC line north to Germantown and beyond, and from Potomac east to Silver Spring and Olney.

Other than enactment of appropriations, DTMG asserts without hesitation that the most important task before the legislature in 2020 is to enact HB1300, which would implement the recommendations of the BluePrint for Maryland (the Kirwan Commission recommendations). Also essential is the enactment of legislation raising the revenue for full, timely implementation of HB1300. Without providing the necessary funding through enactment of bills such as HB932, the implementation of HB1300 could become meaningless. DTMG has promoted substantially increased funding for our public schools for several years. We organized the first Strong Schools Maryland Team in Montgomery County in the fall of 2017. We did this because we understand this is the once-in-a generation opportunity to address the disturbing decline in the performance of our schools. Without passage and implementation of HB1300 it will be a challenge for our students to compete on par with an increasingly more skilled and better educated workforce in an increasingly global marketplace.

HB932, which would impose a sales tax on digital downloads, among other items, is a common sense approach to raising some of the essential additional revenue to enhance the performance of our schools. This revenue, which could amount to hundreds of millions of dollars, would be placed exclusively into the Education Trust Fund. Maryland's current approach makes little sense because it makes it more expensive to buy an identical product from a retail store than by downloading it from the Internet. This is clearly illustrated when it comes to commonly purchased items such as hard cover or paperback books, musical CDs, movies available on DVDs, and audio books. It is hard to justify why a sales tax is charged when these items are purchased from a store, but not when the same product is purchased online and electronically downloaded to a computer, tablet, or cellphone.

For all of the reasons mentioned above, DTMG strongly supports HB932 and urges a **FAVORABLE** report on this bill.

Respectfully submitted,

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