



March 2, 2020

The Honorable Anne R. Kaiser
Chairman, Ways and Means Committee
131 House Office Building
Annapolis, Maryland 21401

Re: HB 1354 – Sales and Use Tax – Services – Oppose

Dear Chair Kaiser:

Thank you for the opportunity to comment on HB 1354. On behalf of the Marine Trades Association of Maryland representing over 350 marine businesses in Maryland we ask that you oppose this bill.

MTAM represents businesses that make up the recreational boating industry in Maryland. The membership consists of marinas, boat brokers and dealers, and all businesses that support recreational boating. While we represent a few businesses that employ more than 50 people, there are many of our members that could be described as, “a guy and his dog in a pick-up truck that knows how to run refrigeration lines in a boat or how to repower a boat with diesel engines”. These small businesses cannot tolerate these additional administrative costs to running their businesses.

A proposal to tax services must be carefully evaluated for the loss of business realized when consumers take their service needs to competing states. This tax would put us at a 5% disadvantage over our neighboring states. As an industry, we schedule our major repairs in the winter months. These repairs allow us to keep our employees working year-round in what is sometimes thought of as a seasonal industry. As the boat owner isn't using their boat during these months, they might as well take it to VA for repairs. In the marine business the choice of docking, boating and performing maintenance and repair in Delaware or Virginia versus Maryland is an easy one to make.

As our members believe that a proposal to expand the sales tax to services, a ‘marina service’ or a ‘boat repair’ service would have a particularly adverse impact on their small businesses, we ask for an unfavorable vote on HB 1354.

The Marine Trades Association of Maryland is a 501(c)(6) organization representing the boating trades and the recreational boater in Maryland. The industry is a \$3.5 billion industry in Maryland and supports nearly 18,000 jobs.

I appreciate your time and consideration.

Sincerely,

Susan Zellers
Executive Director

cc: Members, House Ways and Means Committee