



March 2, 2020

The Honorable Anne R. Kaiser
Chair, House Ways & Means Committee
131 House Office Building
6 Bladen Street
Annapolis, Maryland 21401

Re: HB 1628 – Sales and Use Tax – Rate Reduction and Services – Oppose

Dear Chair Kaiser:

Thank you for the opportunity to comment on HB 1628. On behalf of the Marine Trades Association of Maryland, representing over 18,000 jobs 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. The majority of our industry is made up of small businesses who would struggle to tolerate the additional administrative costs for the taxing of services.

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. Anywhere you stand in Maryland you are less than 100 miles from another state that doesn't charge for this. 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. Any significant repairs will be evaluated for where they can be done for less. This tax will mean a huge loss of business for our industry here in Maryland.

As our members believe that a proposal to expand the sales tax to services would have a particularly adverse impact on their small businesses, we ask for an unfavorable vote on HB 1628.

I appreciate your time and consideration.

Sincerely,

Susan Zellers
Executive Director

cc: Members, House Ways & Means Committee