



MTBMA

MARYLAND TRANSPORTATION BUILDERS
AND MATERIALS ASSOCIATION

March 2, 2020

Delegate Anne R. Kaiser, Chair
Ways and Means Committee
251 House Office Building
6 Bladen Street
Annapolis, Maryland 21401

OPPOSE

Re: **HOUSE BILL 1628 – SALES AND USE TAX – RATE REDUCTION AND SERVICES**

Dear Chairwoman Kaiser and Committee Members:

The Maryland Transportation Builders and Materials Association (“MTBMA”) has been and continues to serve as the voice for Maryland’s construction transportation industry since 1932. Our association is comprised of 200 members. MTBMA encourages, develops, and protects the prestige of the transportation construction and materials industry in Maryland by establishing and maintaining respected relationships with federal, state, and local public officials.

HB 1628 seeks to alter the definitions of “taxable price” and “taxable services.” The proposed changes to these definitions are significant and negatively impact the transportation industry. The bill redefines taxable price to include all labor and services for application or installation of products, as well as all professional services. The change in definition in taxable service now includes any activity engaged in for a buyer for consideration. These new definitions are broad and overly inclusive. For example, those who hire laborers and engineers will now be taxed for the services they provide. We are unsure how this will affect both the consumer and the industry, but we expect it to be extensive. This may result in contractors having to lower their prices to come down to expected consumer pricing, or a loss of clientele as they will opt for less expensive services or services altogether.

We appreciate you taking the time to address this important issue and we urge an unfavorable report on House Bill 1628.

Thank you,

Michael A Sakata

Michael Sakata
Executive Director
Maryland Transportation Builders and Materials Association