



March 2, 2020

To: The Honorable Anne R. Kaiser
House Ways & Means Committee
Room 131 House Office Building
Annapolis, Maryland 21401

RE: HB 1628: Sales and Use Tax – Rate Reduction and Services

Dear Chairman Kaiser and Honorable Members of the Committee:

The Baltimore Industrial Group (BIG) is a non-profit trade association established in 2005 by public and private business organizations in the Baltimore metropolitan region to advocate for industry, maritime operations, and the continued job creation in those sectors. BIG represents an array of Baltimore City-based businesses that are involved in manufacturing, transportation, maritime, trade, logistics, shipping, and warehousing. BIG's members alone employ over 16,000 workers directly and indirectly in the Baltimore metropolitan area and generate millions of dollars in annual tax revenue at the state and local level. Most importantly, BIG's members proudly provide family sustaining wages and benefits to their employees, with the majority of those employees possessing at most a high school diploma or GED.

The Port of Baltimore and the industries in and around the port are powerful economic engines for the City of Baltimore and the State of Maryland. Port-related businesses, however, are extremely cost sensitive operations. Moreover, these businesses and industries rely on a plethora of services as part of their logistics supply chain to sustain day to day operations. BIG fears that the layering of service taxes envisioned under House Bill 1628: Sales and Use Tax – Rate Reduction and Services (HB 1628) on port-related businesses and industries will blunt the momentum that the Port has seen in the last decade and deter future growth. As a result, BIG strongly opposes the full implementation of HB 1628.

If you have a questions on this testimony or need additional information from BIG, please contact Thomas Tompsett Jr. at tommy.tompsett@mdlobbyist.com.

Kind Regards,

Jeff Fraley
Chairman
Baltimore Industrial Group
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