



House Bill 1628

Sales and Use Tax - Rate Reduction and Services

March 2, 2020

Position: OPPOSE

Madame Chair and Members of the Ways and Means Committee:

The *Restaurant Association of Maryland* opposes HB 1628, which would reduce Maryland's sales and use tax rate while simultaneously expanding it to also apply to various services.

We are concerned about the increased cost of business, professional and information services that many small businesses in our industry rely upon. This includes accounting/tax/payroll services, commercial equipment repair/maintenance, IT/website services, building/property maintenance, cleaning services, consulting/marketing, design/construction services and disposal services.

Such increases in the cost of doing business will force our industry to pass on these costs to customers in the form of higher menu prices at the risk of reduced sales. Moreover, because our customers will also be paying more for the services they use under this proposal, we are concerned about a potential reduction in customer traffic due to less disposable income.

For these reasons, we respectfully request an unfavorable report.

Sincerely,

Melvin R. Thompson
Senior Vice President
Government Affairs and Public Policy