

March 2, 2020

The Honorable Anne R. Kaiser, Chairman
Room 131
House Office Building
Annapolis, Maryland 21401

RE: House Bill 1628 - Sales and Use Tax - Rate Reduction and Services - OPPOSED

Dear Chairman Kaiser and Members of the House Ways and Means Committee,

I am writing in my capacity as both the Legislative Chairman of the Building Owners and Managers Association of Greater Baltimore (BOMA), and as a member of its Board of Directors, to respectfully request an unfavorable report on HB 1628.

BOMA, through its nearly 300 members, represents owners and managers of all types of commercial property, comprising 143 million square feet of office space in Baltimore and Central Maryland. Our members' facilities support over 19,000 jobs and contribute \$2.5 billion to the Maryland economy each year.

BOMA members are in the business of providing a variety of services to both building owners and tenants. The imposition of a sales tax on any of these services will simply result in higher costs for the citizens of Maryland who own or occupy BOMA-managed buildings. While the implication of a sales tax on these services is unclear, we note that it would certainly become an important factor in the operating costs of commercial buildings and, equally important, the decision of investors to invest in those properties.

This proposal is a new subject, and we respectfully observe that the members of the General Assembly have neither the expertise nor the time to properly address it during the remaining days of the legislative session. We recommend instead, that a thorough study be conducted with the participation of all affected stakeholders before any statutory change is contemplated. BOMA would be happy to bring its knowledge and expertise to the table should you decide to undertake this approach.

For these reasons, we respectfully request an unfavorable report on House Bill 1628.

Sincerely,



Kevin J. Bauer