

Bryson F. Popham, P.A.

Bryson F. Popham, Esq.

191 Main Street
Suite 310
Annapolis, MD 21401
www.papalaw.com

410-268-6871 (Telephone)
443-458-0444 (Facsimile)

March 2, 2020

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

RE: HB 1628 –Sales Tax on Services - Opposed

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

On behalf our client, the Insurance Agents and Brokers of Maryland (IA&B) we wish to register their opposition to House Bill 1628.

IA&B is a trade association of independent insurance agencies whose members do business in Maryland and would be subject to the payment of sales taxes imposed under this legislation. The insurance business is complex and largely subject to a regime of state regulation. The premium tax is the primary method by which states apply this system of regulation. One concern that IA&B members have expressed is whether the imposition of a sales tax on services, if improperly applied, could raise the prospect of retaliatory taxation under the laws of other states. This is just one concern: the larger issue is whether the sales tax should apply to services provided by insurance agents, and if so, how that should be done. We do not have the answer to those important questions today. In fact, the question itself requires a comprehensive analysis by both stakeholders and independent authorities before any statute is enacted.

For these reasons, IA&B respectfully requests an unfavorable report on House Bill 1628.

Very truly yours,



Bryson F. Popham, Esq.