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POSITION STATEMENT

Senate Bill 0011 – Sales and Use Tax – Agriculture Purpose Exemption – Seedlings and Fruit Trees
Before Budget and Taxation Committee
January 26, 2021

The Rural Maryland Council **SUPPORTS** Senate Bill 0011 – Sales and Use Tax – Agriculture Purpose Exemption – Seedlings and Fruit Trees. The purpose of this bill is to expand the current sales use exemption to include the sale of seedlings and fruit trees for agricultural purpose to section Title 11 - Sales and Use Tax, Subtitle 2 – Exemptions § 11-201 to the Annotate Code of Maryland.

Viable agriculture, aquaculture, and forestry are a legislative priority for the Rural Maryland Council. Agriculture remains Maryland’s largest commercial economic sector and is incredibly important to our rural areas. Agriculture contributes approximately \$3.3 billion to the state economy supported 23,878 jobs and added nearly \$110 million in combined state and local tax revenue. The total economic impact of resource based industries in 2015 equaled \$23.3 billion, supported over 94,500 jobs, and generated nearly \$902 million in state and local tax revenue. According to the 2017 Census of Agriculture, there are 329 fruit and tree nut farms on 15,171 acres in Maryland. The total sales from these farms in 2017 was \$23 million.

RMC supports programs and policies that will sustain and enhance agricultural production such as Senate Bill 0011. Agricultural inputs are largely exempt from taxes and this bill adds seedlings and fruit trees as inputs to be exempt from the sales and use tax because they are an essential component of agriculture in Maryland.

The Council respectfully requests your favorable support of Senate Bill 0011.

The Rural Maryland Council (RMC) brings together citizens, community-based organizations, federal, state, county and municipal government officials as well as representatives of the for-profit and nonprofit sectors to collectively address the needs of Rural Maryland communities. We provide a venue for members of agriculture and natural resource-based industries, health care facilities, educational institutions, economic and community development organizations, for-profit and nonprofit corporations, and government agencies to cross traditional boundaries, share information, and address in a more holistic way the special needs and opportunities in Rural Maryland.

“A Collective Voice for Rural Maryland”