

TESTIMONY OFFERED ON BEHALF OF



IN SUPPORT OF:

**SB 0730 - Income Tax - Credit for Travel, Hospitality, and Entertainment Expenses**

**Dear Chairman Guzzone and Distinguished Members of the Senate Budget and Taxation Committee,**

I am writing to express support for Senate Bill 730. Over the past year, the Town of Ocean City's Department of Tourism has been diligently working with our local and state partners to keep our industry alive during these unprecedented times. Tourism in Ocean City is our number one lifeline, generating \$1.74 billion in state and local taxes in FY20 and supplying more than 12,500 jobs.

Senate Bill 730 provides state income tax credits to Marylanders who travel within the state and spend money on hospitality related purchases. In-state travel must occur at least 50 miles from their permanent residence, and purchases must include: food and beverage, lodging, transportation, tickets for live entertainment and sporting events or expenses related to attending a conference or business meeting.

The tax credit would be up to \$4,000 for an individual; or \$8,000 for a married couple filing jointly; and \$500 per dependent child. This is an income tax credit and can only be received if money is expended. In reality, the tax credit is offset by money being put back into the economy, which is desperately needed, especially for businesses that have been hurt so badly by the pandemic. In turn, the expenditures generate additional tax revenues in the form of sales taxes, accommodations taxes and admissions & amusement taxes.

The tax credit would incentive Marylanders to explore all that our home state has to offer. Not only will travelers be stimulating the economy, but they will also be creating experiences with their friends and family and sharing that with others who will then want to join in the fun.

**We respectfully request that you support Senate Bill 0730.**

Most Sincerely,

*Jessica Waters*

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*Interim Director*

*Ocean City Department of Tourism*