

MARY BETH CAROZZA  
*Legislative District 38*  
Somerset, Wicomico,  
and Worcester Counties

Education, Health, and Environmental Affairs  
Committee



Annapolis Office  
James Senate Office Building  
11 Bladen Street, Room 314  
Annapolis, Maryland 21401  
410-841-3645 • 301-838-3645  
800-492-7122 Ext. 3645  
Fax 410-841-3006 • 301-838-3006  
MaryBeth.Carozza@senate.state.md.us

THE SENATE OF MARYLAND  
ANNAPOLIS, MARYLAND 21401

February 24, 2021

**The Senate Budget and Taxation Committee**  
**SB 730 Income Tax - Credit for Travel, Hospitality, and Entertainment Expenses**  
**Statement of Support by Bill Co-Sponsor Senator Mary Beth Carozza**

Thank you Chairman Guzzone, Vice Chair Rosapepe, and members of the Senate Budget and Taxation Committee for the opportunity to respectfully ask for your support of **Senate Bill 730 Income Tax - Credit for Travel, Hospitality, and Entertainment Expenses**. This provides state income tax credits to Marylanders who travel within the state and spend money on hospitality-related purchases. As defined in the bill, the in-state travel must occur at least 50 miles from the principal residence of the individual, and purchases are limited to food and beverage, lodging, transportation, tickets for live entertainment, or expenses related to attending a conference or business meeting.

This was brought to my attention through a coordinating effort with the Garrett County Chamber of Commerce and the Greater Ocean City Chamber of Commerce and the Hotel-Motel Restaurant Association that was discussed earlier this year. The idea of a Maryland Tourism Tax Credit is based off Federal legislation that was proposed earlier this year to the Senate Small Business Workgroup. The pandemic has had a devastating impact on our economy, especially the tourism sector. According to the U.S. Travel Association, “15.8 million travel-related jobs in the U.S. have been lost due to the pandemic. This has resulted in an industry unemployment rate of 51%, which is more than twice the rate our country experienced as a whole during the Great Depression.”

The Maryland Tourism Coalition reports that tourism supports 226,000 direct and indirect jobs, making it the 11<sup>th</sup> largest industry in the state. Without tourism in the State of Maryland, each household would pay \$1,175 more in local taxes. In 2020, Worcester County alone, contributed \$238.4 million in state and local revenue and provided 10,929 tourism related jobs.

I acknowledge the fiscal impact, however, the benefits of promoting in-state tourism to Marylanders significantly outweigh the costs. This tax credit would incentivize Marylanders to travel within the state and would increase sales, accommodations, admissions, and amusement tax revenue. Our tourism community in Maryland, hard hit by the pandemic, would benefit from this tax credit.

This legislation includes support from the Greater Ocean City and Salisbury Chambers of Commerce, the Garrett County Chamber of Commerce, the Ocean City Hotel-Motel Restaurant Association, the Maryland Tourism Coalition, Worcester County Tourism, the Maryland Restaurant Association, and the Maryland Motel and Lodging Association.

Tourism is a powerful economic driver for the State of Maryland, I urge my colleagues on the Senate Budget and Taxation Committee to move favorable on Senate Bill 730 which would boost Maryland's tourism and travel economy, increase jobs, and reduce State spending on unemployment as we in Maryland continue to recover from the global COVID-19 pandemic.

Thank you for your kind consideration.