



**Kelly R. Groff Testimony on behalf of:  
Visit Montgomery**

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**FAVORABLE:**

**HB 1176 – Income Tax - Credit for Travel, Hospitality, and Entertainment Expenses**

**House Ways & Means Committee  
February 26, 2021**

On behalf of Visit Montgomery representing the Montgomery County tourism and hospitality industry countywide, I am writing to provide our support of HB 1176 – Income Tax – Credit for Travel, Hospitality, and Entertainment Expenses.

Maryland’s tourism industry has been severely battered by the pandemic. As the 11<sup>th</sup> largest industry in the state, it is imperative to our economic recovery that we enlist all means necessary to support tourism.

Montgomery County welcomed 9 million daytrip and overnight visitors prior to the COVID-19 pandemic. These visitors generated \$1.98 billion of spending in our local economy. We also support 29,000 jobs in our community. For this reason, we have requested this bill to incentivize travel in Maryland that will inject money back into some of the most vulnerable businesses in the state and help retain the jobs in this industry that are in jeopardy.

HB 1176 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
- 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. Therefore, 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, lodging taxes and admissions & amusement taxes.

Tourism needs our help and Visit Montgomery requests a **FAVORABLE REPORT on HB 1176.**

Sincerely,

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