



Maryland Municipal League

The Association of Maryland's Cities and Towns

TESTIMONY

February 25, 2021

Committee: House Ways and Means

Bill: HB 1057 - Sales and Use Tax – Rate Reduction

Position: Oppose

Reason for Position:

The Maryland Municipal League opposes House Bill 1057, which reduces the maximum rate of the admissions and amusement (“A&A”) tax that a county or municipal corporation may set for gross receipts that are also subject to the State sales and use tax.

Municipalities in Maryland are limited in the ways in which they can generate revenue and the A&A tax is one tax municipalities are authorized to impose and, to some degree, set the rate. Recently, the A&A tax has produced over \$10 million in revenue annually for municipalities. This bill proposes a small reduction, but every little bit helps, especially considering the fiscal instability local governments are facing as a result of the COVID-19 pandemic.

For these reasons, the Maryland Municipal League opposes HB 1057 and respectfully requests an unfavorable committee report.

FOR MORE INFORMATION CONTACT:

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