



ST. MARY'S COUNTY FARM BUREAU

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WORKING FOR SUSTAINABLE AGRICULTURE SINCE 1947

Senate Bill 337

Motor Fuel Tax Rates – Consumer

Price Index Adjustment – Repeal

Favorable

February 4, 2022

Senate Budget and Taxation Committee
3 West, Miller Senate Office Building .
Annapolis, MD 21401

Re: Senate Bill 337, Motor Fuel Tax Rates – Consumer Price Index Adjustment – Repeal,
hearing date February 8, 2022.

Dear Committee Members,

The Board of Directors of the St. Mary's County Farm Bureau supports amendments to Section 9-305, Article – Tax – General, of the Annotated Code of Maryland, to stop automatic increases in motor fuel taxes based on growth in the Consumer Price Index (CPI).

According to US Department of Labor, the consumer price index climbed 7% in 2021, the largest 12-month gain since June 1982. Farmers are experiencing substantial escalation of input costs for crop and livestock production due to increased inflation, including rising fuel costs for their farm businesses. The state excise gas tax, indexed to CPI, increases expenses for farmers that they have to absorb, which makes it difficult to remain profitable. Additionally, if there is a decline or no growth in CPI, the motor fuel tax does not change, so the increased tax burden remains.

Farm bureau is opposed to increases in the state fuel tax. The bureau respectfully requests that the committee issue a favorable report on Senate Bill 337.

Sincerely,

James K. Raley, Jr.

President

St. Mary's County Farm Bureau