

2022 SB622 Support Income Tax Credit for Travel in

Uploaded by: Ari Plaut

Position: FAV



HOTEL • MOTEL • RESTAURANT • ASSOCIATION • INC.

TESTIMONY OFFERED ON BEHALF OF THE OCEAN CITY HOTEL-MOTEL-RESTAURANT ASSOCIATION

IN SUPPORT OF SB622 – Income Tax Credit for Travel, Hospitality and Entertainment

Before the Senate Budget and Taxation Committee

Hearing March 2, 2022

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

On behalf of the Ocean City hospitality industry with 400+ members, and as a Member of the Maryland Tourism Coalition, I am writing to respectfully request your support of this thoughtfully crafted legislation. Since 1971, our Association has been uniting the Ocean City tourism community. Without a doubt, this pandemic has affected the leisure and hospitality industry harder than any other industry. This bill provides an opportunity to keep Marylanders employed as it would certainly spur travel from the Eastern Shore beaches to the Western Maryland mountains and all the fabulous places in between.

Encouraging travel around our State through the proposed tax credit incentives is a real benefit which would be well received by your constituents. Keeping the dollars in our State is of utmost importance to everyone's local economies. Tourism is an economic engine and provides a return to the State and counties in the form of sales tax, admission & amusement tax, alcohol tax and accommodation tax.

In Maryland, 95% of tourism operations are small businesses, folks living and working in our communities. SB622 offers a workable solution other than a cash handout. It provides real incentives to support local hotels, restaurants, attractions, and entertainment venues and that would certainly help as it will take years to get back to pre-pandemic business levels.

Please feel free to contact me directly at 410.726.0334 with any questions. Thank you for your time and consideration in support of SB622.

Sincerely,

Susan L. Jones, OCHMRA Executive Director
Member MD Tourism Coalition

Letter of Support_SB622 (1).pdf

Uploaded by: Ari Plaut

Position: FAV



ALLEGANY COUNTY, MARYLAND

The Board of County Commissioners

701 Kelly Road
Cumberland, MD 21502
T 301 777-5911 F 301 724-6970
www.alleganygov.org

Jacob C. Shade, *President*
Creade V. Brodie, Jr.
David J. Caporale

Jason M. Bennett, *CPA, County Administrator*
T. Lee Beeman, Jr., *County Attorney*

February 18, 2022

Guy J. Guzzone, Chairman
Senate Budget & Taxation Committee
Senate Miller Building, 3 West
11 Bladen Street
Annapolis, MD 21401

RE: SB622 – Income Tax – Credit for Travel, Hospitality, and Entertainment

Dear Chairman Guzzone and Members of the Senate Budget & Taxation Committee:

Allegany County Government is writing in support of SB622, which will provide an income tax credit to Marylanders who vacation 50 miles or more from their place of residency in the state of Maryland.

Tourism is the third largest employer in Allegany County, Maryland, supporting over 3,000 jobs, and generates \$160 million in visitor spending and \$47 million in tourism tax revenues.

As you know, tourism has been the hardest hit industry as a result of travel restrictions, shut downs, and consumers' reluctance to travel. The recovery for the tourism industry is anticipated to be at least 8 to 24 months. This bill has the opportunity to provide Marylanders with the incentive to explore their own state, keeping tax dollars in Maryland. It is vital now more than ever to support our tourism and hospitality businesses.

Please vote favorable on SB622 to support the recovery of the tourism industry in Maryland.

Sincerely,

Jacob C. Shade
President

Letter of Support_SB622.pdf

Uploaded by: Ari Plaut

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Sincerely,

Jacob C. Shade
President

MTC SB Letter of Support 2.24.22.pdf

Uploaded by: Ari Plaut

Position: FAV



February 24, 2022

Chair Guzzone and Members of the
Senate Budget & Taxation Committee
Senate Miller Building, 3 West
11 Bladen Street
Annapolis, MD 21401

Re: SB622 - Income Tax - Credit for Travel, Hospitality, and Entertainment

Dear Chair Guzzone and Members of the Senate Budget & Taxation Committee:

On behalf of Visit Frederick (the Tourism Council of Frederick County), the designated destination marketing organization for Frederick, Maryland and an active member of the Maryland Tourism Coalition, please accept this letter of support for SB622 – Income Tax – Credit for Travel, Hospitality, and Entertainment.

SB622 will provide an income tax credit to Marylanders who vacation 50 miles or more from their place of residency in the state of Maryland. We believe this will be a significant driver of in-state visitation along with the accompanying and crucial economic impact.

As we are sure you are very much aware of, the Tourism/Hospitality industry is one of the hardest hit industries throughout the pandemic, and it is vital now more than ever to support your tourism and hospitality businesses.

We encourage everyone on the Budget and Taxation Committee to support SB622.

Sincerely,

A handwritten signature in black ink, appearing to read "Dave Ziedelis". The signature is fluid and cursive, written over a white background.

Dave Ziedelis

Executive Director

SB 622 Support from Worcester.pdf

Uploaded by: Ari Plaut

Position: FAV



Worcester County Office of Tourism

104 West Market Street | Snow Hill MD 21863 | (410) 632-3110 | www.VisitMarylandsCoast.org

February 14, 2022

Chair Guzzone and Members of the
Senate Budget & Taxation Committee
Senate Miller Building, 3 West
11 Bladen Street
Annapolis, MD 21401

SUPPORT SB622 - Income Tax - Credit for Travel, Hospitality, and Entertainment

Dear Chair Guzzone and Members of the Senate Budget & Taxation Committee,

My name is Melanie Pursel, Director of the Office of Tourism and Economic Development in Worcester County. Representing Maryland's Coast, we have worked tirelessly over the past 2 years to continue to encourage travel to our region during the pandemic, but it has been challenging for many of our businesses.

I am writing in support of SB622, which will provide an income tax credit to Marylanders who vacation 50 miles or more from their place of residency in the state of Maryland. The tourism industry as a whole has been severely affected by this pandemic and we need to take proactive measures. As the 11th largest industry in the state, it is imperative to economic recovery that we enlist all means necessary to support tourism. Typically, tourism supports 226,000 direct and indirect jobs!

With the wonderful outdoor recreation, amazing hotels and restaurants and endless opportunity to explore, this incentive will help not only our region but the entire state of Maryland. We would love to welcome more guests from Western Maryland, Baltimore City, Harford and Cecil to choose a Maryland experience versus travelling to our neighboring states and spending their money. And like wise our Worcester and Ocean City residents would be encouraged to travel to the other scenic and exciting parts of Maryland.

Thank you so very much for your time and consideration and please feel free to reach out to me directly with any questions at all. As one of the hardest hit industries throughout the pandemic, it is vital now more than ever to support your tourism and hospitality businesses. I encourage everyone on the Budget and Taxation Committee to support this creative and impactful solution.

Sincerely,

Melanie A. Pursel, M.S

Director

Office of Tourism and Economic Development

SB622 Testimony.pdf

Uploaded by: Chris Riehl

Position: FAV



March 2, 2022

Chair Guzzone and Members of the Senate Budget & Taxation Committee
Senate Miller Building, 3 West
11 Bladen Street
Annapolis, MD 21401

SB622 – Income Tax - Credit for Travel, Hospitality, and Entertainment

Dear Chair Guzzone and Members of the Committee,

My name is Chris Riehl. I'm the owner of a guide and receptive service based in Baltimore called Rent-A-Tour and I also represent our industry as a board member of both the Baltimore Tourism Association and the Maryland Tourism Coalition.

While the last two years have been challenging for us all, they've been particularly difficult for the tourism and hospitality industry. We were among the first to feel the economic impact of the pandemic as group tours, events, and conferences began canceling. We've made tremendous progress, due to the tireless efforts of our public servants and healthcare heroes, but despite all that, it's becoming clear that we may be among the last to fully recover.

That's why I'm urging you support this important legislation that will incentivize Marylanders to vacation in Maryland, and help kickstart an industry that has traditionally been one of the most successful and highest-performing sectors of our economy. This is an economic stimulus bill. I'm confident that the revenue generated by increased visitation will give a much-needed boost to small businesses like mine and help restore thousands of lost jobs, while the collection of additional sales & use taxes, amusement, and room taxes, will offset any expected losses resulting from the income tax credit.

But more than that, this legislation will encourage Marylanders to discover just how special our state is. I've personally led tours of Baltimore for groups visiting from all over the world, but some of my favorite groups are those from other parts of Maryland. It's incredibly rewarding to watch as they rediscover our city's extraordinary heritage and culture; and by the time they leave, they're beaming with a renewed sense of pride. The same goes for Baltimoreans visiting Western Maryland or denizens of the D.C. suburbs traveling to the Eastern Shore. By choosing to make memories here, instead of in Pennsylvania, Virginia, or Delaware, they'll be inspired by our powerful stories, amazed by our natural beauty, and delighted by our friendly hospitality. In turn, they'll become some of our most effective ambassadors, encouraging others to come and experience the wonder of Maryland for themselves.

We talk a lot about the power of tourism with regards to the economic activity it produces, the tax revenue it generates, and the jobs it supports, but for me, what's most powerful about tourism are the shared experiences we help build. We know how much those shared experiences mean to us because we know how hard it was when they were taken from us. Those shared experiences become cherished memories. Let's make more of those memories in Maryland.

Sincerely,

A handwritten signature in black ink that reads "Chris Riehl". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

Chris Riehl
President
Rent-A-Tour

SB622 - Income Tax - Credit for Travel, Hospitalit

Uploaded by: Dakota Matthews

Position: FAV



John Hartline, Chair

50 Harry S. Truman Parkway • Annapolis, MD 21401
Office: 410-841-5772 • Fax: 410-841-5987 • TTY: 800-735-2258
Email: rmc.mda@maryland.gov
Website: www.rural.maryland.gov
Charlotte Davis, Executive Director

Testimony in Support of
Senate Bill 622 - Income Tax - Credit for Travel, Hospitality, and Entertainment
Senate Budget and Taxation Committee
March 02, 2022

The Rural Maryland Council supports Senate Bill 622 - Income Tax - Credit for Travel, Hospitality, and Entertainment. This bill will help revitalize the travel, hospitality, and entertainment industries which have faced tremendous financial declines during the COVID-19 pandemic. This would be accomplished by creating a credit against the state income tax for those who travel over 50 miles from their home and spend their money on food and beverages; lodging and transportation; live entertainment and sporting events; or to attend a conference or business meeting. This tax credit will incentivize Marylanders to travel to other parts of the State and spend money at the local businesses.

Rural Maryland does not always receive the same number of visitors as the urban and suburban parts of the State. This tax credit will encourage more travel to these rural areas by requiring the tax credit to be applied to expenses at locations 50 miles or more from the individual's home. This will bring Marylanders from the central parts of the State to the rural parts of the State. Additionally, the economies of rural areas depend heavily on the hospitality and tourism industries, making the recent decline of travel more hurtful to the rural communities that depend on these industries. The U.S Census's Small Business Pulse Survey reports that almost 70% of Maryland's businesses reported that the pandemic had an overall negative effect on the business. These negative impacts can be seen by the decrease in visitors during the pandemic. According to Tourism Economics' report, *Economic Impact of tourism in Maryland 2020*, Maryland's visitor spending declined 37.5% in 2020, registering at \$11.6 billion. This is a \$7 billion loss from the \$18.6 billion that was created in 2019.

The increased economic activity that the tax credit will bring to rural areas will ultimately create more job opportunities in order to accommodate for the increased activity. Additionally, rural areas recover from economic downturns at a slower rate than urban and suburban areas. The employment rates of rural areas were still recovering from the great recession before being hit by the pandemic in 2020. According to USDA Economic Research, the rural employment rate of 2017 was still 2 percent below the 2007 peak while metro areas had increased by 7.2 percent. Since rural areas take longer to recover, it is important that incentives are put in place to assist the recovery of rural Maryland.

The Rural Maryland Council respectfully requests your favorable support of Senate Bill 622.

The Rural Maryland Council (RMC) is an independent state agency governed by a nonpartisan, 40-member board that consists of inclusive representation from the federal, state, regional, county and municipal governments, as well as the for-profit and nonprofit sectors. We bring together federal, state, county and municipal government officials as well as representatives of the for-profit and nonprofit sectors to identify challenges unique to rural communities and to craft public policy, programmatic or regulatory solutions.

"A Collective Voice for Rural Maryland"

Senate Bill 622 - MDMO - Support.pdf

Uploaded by: Kristen Goller

Position: FAV

MARYLAND



Destination Marketing Organizations

March 2, 2022

The Honorable Guy Guzzone, Chairman
Senate Budget & Taxation Committee

Re: Senate Bill 622 – Income Tax - Credit for Travel, Hospitality, and Entertainment Expenses

Position: *Support*

Chairman Guzzone and Committee Members:

On behalf of the Maryland Association of Destination Marketing Organizations (MDMO), I am writing to express our *support* for Senate Bill 622, Income Tax - Credit for Travel, Hospitality, and Entertainment Expenses. Senate Bill 622 allows for an individual to claim a credit against the State income tax for certain travel, hospitality, and entertainment expenses. These tourism related expenses must be incurred by the individual during taxable years 2022 and 2023. As leisure travel for Marylanders are getting back to pre-pandemic levels, now is as important as ever to encourage travel within Maryland.

The Tourism Promotion Act of 2008 dedicated \$2.5 million in grant funding for the 23 counties, Baltimore City, and Ocean City. Each year the Maryland Destination Marketing Organizations continue to leverage state, local, and private partnership funds to promote visitor spending in Maryland through direct and in-direct marketing efforts.

I respectfully request a *favorable* report of Senate Bill 622, which continues to show your dedicated support to the tourism industry. Thank you for your kind consideration and attention to this legislation.

Respectfully Submitted,



Kristen Goller, Chair
Maryland Destination Marketing Organizations

SB 622 _Thompson_Restaurant Association_FAV.pdf

Uploaded by: Melvin Thompson

Position: FAV



SENATE BILL 622

Income Tax - Credit for Travel, Hospitality, and Entertainment

March 2, 2022

Position: Support

Mr. Chairman and Members of the Budget and Taxation Committee:

The *Restaurant Association of Maryland* supports Senate Bill 622, which would provide a tax credit to Marylanders for expenses related to certain travel within the State of Maryland. Expenses for food and beverages, lodging, and live entertainment and sporting events during such travel would qualify for the tax credit.

Foodservice businesses and the hospitality industry continue to struggle from the effects of the COVID pandemic, amid continuing supply chain challenges, rising food and product costs, and labor shortages. This legislation will provide a financial incentive for Marylanders to travel throughout our State and support the many tourism/hospitality sector businesses that are still in pandemic recovery mode.

The tax credit provided by this bill will help in stimulating the necessary economic activity we need. This will also generate more sales tax revenue from hospitality-related sales.

For these reasons, we support this legislation and request a favorable report.

Sincerely,

A handwritten signature in black ink that reads "Melvin R. Thompson". The signature is written in a cursive style and is followed by a long horizontal line.

Melvin R. Thompson
Senior Vice President
Government Affairs and Public Policy

22_SB622SponsorTestimony.pdf

Uploaded by: Paul Corderman

Position: FAV

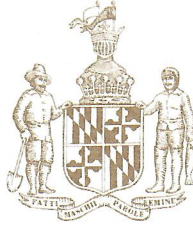
PAUL D. CORDERMAN
Legislative District 2
Washington County

Budget and Taxation Committee

Subcommittees

Education, Business and Administration

Pensions



THE SENATE OF MARYLAND
ANNAPOLIS, MARYLAND 21401

James Senate Office Building
11 Bladen Street, Room 416
Annapolis, Maryland 21401
410-841-3903 · 301-858-3903
800-492-7122 Ext. 3903
Paul.Corderman@senate.state.md.us

District Address

P.O. Box 3716
Hagerstown, MD 21742
240-313-3929

March 2, 2022

Testimony in Support of Senate Bill 622 – Income Tax – Credit for Travel, Hospitality, and Entertainment

Chair Guzzone and Members of the Senate Budget and Taxation Committee;

Thank you for hearing *SB622 – Income Tax – Credit for Travel, Hospitality, and Entertainment*. This bill allows individuals to claim a tax credit against the State income tax during tax years 2022 and 2023 for certain expenses related to travel, hospitality, and entertainment. Annually, individuals may claim credit up to \$500, married couples \$1,000, and \$100 for every dependent child. Additionally, Department of Commerce may not issue credit certificates exceeding \$3,200,000 in any taxable year.

Tourism is a valuable industry for our state and local businesses, and should be encouraged. This bill will provide increased incentive for every citizen of Maryland to travel and enjoy the many attractions our state has to offer

Thank you for your consideration as I respectfully ask for a Favorable report on SB 622.

Sincerely,

A handwritten signature in blue ink that reads "Paul D. Corderman".

Senator Paul D. Corderman
District 2 – Washington County

MTC Support SB622.pdf

Uploaded by: Ruth Toomey

Position: FAV



March 1, 2022
Chair Guzzone and Members of the
Senate Budget & Taxation Committee
Senate Miller Building, 3 West
11 Bladen Street
Annapolis, MD 21401

RE: SB622-SUPPORT

Dear Chair Guzzone and Members of the Senate Budget & Taxation Committee

The Maryland Tourism Coalition is in support of SB622, which will allow an individual to claim a credit against the State income tax for certain travel, hospitality, and entertainment expenses paid or incurred in the State by the individual during taxable years 2022 and 2023.

The Maryland Tourism Coalition is the statewide trade association that represents all sectors of the tourism industry, from restaurants, attractions, hotels, wineries, breweries, distilleries, campgrounds, partner associations, vendors who service our industry and more. This bill would not only benefit our members of MTC but all businesses of the Maryland Tourism industry and the Maryland's economy.

Many will say tourism is back. It is not back. Tourism supports jobs for Marylanders and generates state and local taxes. Prior to Covid Tourism was Maryland's 10 largest industry. Visitors spent \$18.1 Billion, there was 150,000 direct tourism jobs and the tax revenue to state and local was \$2.5 Billion. Each household would need to pay an additional \$1,170 in taxes to replace the tax revenue generated from tourism. For FY2021, the numbers are much different. Total visitor spending is \$11.6 Billion, 104,000 direct tourism jobs and only \$1.7 billion in tax revenue. The household savings is just \$775. Again, tourism is not back.

Maryland has so much to offer our residents that many do not even know of the many hidden gems across the state. This bill will encourage Marylanders to get out and see these places. 95% of all tourism businesses are small businesses. While there have been many businesses closing over the last 2 years, there were also new businesses opening. During the pandemic, MTC used social media to promote our members and help our followers create their "Maryland Bucket Lists". I have lived in Maryland most of my life and before my 40th birthday, I was inspired at our own state tourism conference to get out and see all the places I had never been and created my own "40 Awesome Adventures of Ruthie". Did you know a ghost fleet lies in the water of Mallows Bay in Charles County? Have you ever taken the trip from Crisfield over to Smith Island? I ask you, where are some places in Maryland that you have always wanted to visit and never have? MTC hosted an event at a new member location in St. Mary's County who opened Labor Day weekend of 2020 and she said "our own locals don't know we are here". She is on my bucket list to go and do an overnight. This tax credit will help keep the revenue in state and it will help create more jobs.

This tax credit also applies to live entertainment and sporting events. This is more than a concert at Merriweather Post Pavilion or a Raven's game. This is seeing a show at Toby's Dinner Theatre or Maryland Hall. Or taking in a game at the Delmarva Shorebirds or one of Maryland's 6 minor league baseball stadiums. The Baltimore Blast is

celebrating 40 years. I saw many of my friends, coming back into town and taking their kids to game the game the other night just to see players of their youth.

Lastly, we hope this income credit will also help encourage Maryland businesses to host their conferences and businesses meetings in state as the tax credit will benefit their attendees. This alone would increase hotel stays, dine-arounds even the gas to drive to the destinations. Maryland is home to many corporate headquarters such as Marriott International, Lockheed Martin and Social Security Administration. Again, let's not think big here and let's think of the convention centers that host smaller sized meetings such as Comfort Inn Conference Center Bowie, Rod-N-Reel Resort, Rocky Gap Casino and Hyatt Chesapeake. Most of these are located in small towns that could also bring back repeat customers to the hotel with their family or friends who then will visit the main streets, local restaurants, shops and attractions.

Without this tax credit, skiers will head to Vermont, beach goers will head south, wine drinkers will head to Virginia or California, meetings will head to various states and the dollars of our residents will go with them. Let's make those Maryland Memories and keep the money in state!

The Maryland Tourism Coalition, our board and our members ask you to please give SB622 a favorable report to help the tourism industry to achieve the pre-pandemic numbers and help boost Maryland's economy.

Thank you in advance and if you have any question, please feel free to contact me directly at 336-254-4648 or ruth@mdtourism.org

Sincerely,

Ruth Toomey

Ruth Toomey

Executive Director, Maryland Tourism Coalition

SB 622 Income Tax - Credit for Travel, Hospitality

Uploaded by: Barbara Wilkins

Position: INFO



Maryland

DEPARTMENT OF BUDGET
AND MANAGEMENT

LARRY HOGAN
Governor

BOYD K. RUTHERFORD
Lieutenant Governor

DAVID R. BRINKLEY
Secretary

MARC L. NICOLE
Deputy Secretary

SENATE BILL 622 Income Tax – Credit for Travel, Hospitality, and Entertainment (Corderman)

STATEMENT OF INFORMATION

DATE: February 23, 2022

COMMITTEE: Senate Budget & Taxation

SUMMARY OF BILL: SB 622 creates an individual income tax credit for travel, hospitality, and entertainment expenses that are incurred within 50 miles of an individual's principal residence; and provides an aggregate of \$3.2 million in tax years 2022 and 2023. The tax credit amount is up to \$500 per individual tax filer and \$1,000 per joint filer.

EXPLANATION: The Department of Budget and Management's focus is not on the underlying policy proposal being advanced by the legislation, but rather on the \$3.2 million loss in General Fund revenues in tax years 2022 and 2023.

Fully funding the implementation of the Blueprint for Maryland's Future (Kirwan) will require fiscal discipline in the years ahead, if the State is to maintain the current projected structural budget surpluses. Mandated spending increases need to be reevaluated within the context of this education funding priority and the Governor's tax relief proposals.

Further, economic conditions remain precarious as a result of COVID-19. High rates of inflation and workforce shortages may be short lived or persist. While current budget forecasts project structural surpluses, the impact of the ongoing COVID-19 pandemic continues to present a significant budgetary vulnerability.

**For additional information, contact Barbara Wilkins at
(410) 260-6371 or barbara.wilkins1@maryland.gov**