



Maryland Farm Bureau, Inc.

3358 Davidsonville Road • Davidsonville, MD 21035 • (410) 922-3426

March 2, 2022

To: House Ways & Means Committee

From: Maryland Farm Bureau, Inc.

Re: **Support of HB 1002 - Sales and Use Tax - Electricity for Agricultural Purposes - Exemption**

On behalf of our Farm Bureau member families in Maryland, I submit this written testimony in support of HB 1002. This bill adds electricity that is used for agricultural purposes such as raising livestock and poultry, irrigation, or crop production and grain harvest to the existing agricultural sales and use tax exemptions.

Currently, residential electric consumers are tax-exempt and so are manufacturing operations. Many farmers are on residential rates as the electric meter for the farm is also tied to their house. However, for those limited number of farms that have separate meters for barns and other ag uses, they are under the commercial electric rate. It is these farms that are also having sales and use tax added to their bill. This bill would exempt all farms from the sales and use tax not just the ones that have residential use meters.

MDFB Policy:

Maryland Farm Bureau supports the continued exemption of agricultural items and related services from the state sales tax.

MARYLAND FARM BUREAU SUPPORTS HB 1002 & REQUESTS A FAVORABLE REPORT

A handwritten signature in black ink, appearing to read 'Colby Ferguson'.

Colby Ferguson
Director of Government Relations

For more information contact Colby Ferguson at (240) 578-0396