

MARYLAND RETAILERS ASSOCIATION

The Voice of Retailing in Maryland



HB1094 Sales and Use Tax - Rate Reduction **House Ways and Means Committee** **March 2, 2023**

Position: Favorable

Background: HB1094 would reduce the State admissions and amusement tax total rate from 11% to 10% and the sales and use tax from 6% to 5%

Comments: The Maryland Retailers Association (MRA) supports HB1094, which would lower the State sales and use tax to 5%. At a time when consumers across the country are facing record-high inflation and interest rates, reducing the sales and use tax would have a positive impact on Marylanders who are struggling to purchase necessary goods for their families. Shoppers who live close to the State's borders with Virginia and Delaware enjoy lower totals at the register by crossing into our neighboring states with lower sales tax rates, at 5.75% and 0% respectively. Reducing our sales tax rate would keep those shoppers in Maryland and would allow other Marylanders to save more money when making purchases. As inflation rates, supply chain and labor issues, and other lingering effects of the COVID-19 pandemic continue to drive up prices of goods across the board, the legislature should be considering every possibility to minimize costs for Marylanders.

For these reasons, MRA would urge a favorable report on HB1094. Thank you for your consideration.