

MARYLAND RETAILERS ASSOCIATION

The Voice of Retailing in Maryland



HB67 Sales and Use Tax – Alteration of Rate Due to Inflation **House Ways and Means Committee** **February 2, 2023**

Position: Favorable

Background: HB67 would decrease the State sales and use tax to 5% based on inflation rates in the previous year.

Comments: The Maryland Retailers Association supports HB67, which would provide relief to families across the state who are struggling due to record-high inflation rates. Requiring the Comptroller to determine the inflation rate for the 12 months ending in April of each year is an appropriate method for assessing whether a lower sales tax is necessary. As experts continue to warn of an impending economic recession, the legislature should be taking steps to protect Marylanders not only this year but from the potential negative impacts of any future downturned economy. Establishing a system to automatically account for high inflation rates and set the sales tax accordingly each year will directly benefit every single household in Maryland.

We would urge a favorable vote on HB67. Thank you for your consideration.

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171 CONDUIT STREET, ANNAPOLIS, MD 21401 | 410-269-1440

