



House Bill 1515 – Sales and Use Tax - Rate Reduction and Services

Position: Oppose

In every corner of the state, Maryland residents are feeling the stress of high housing costs and limited housing supply. **HB 1515 would exacerbate our housing crisis in both areas, and we express our strongest opposition to its passage.**

Housing stock is constructed almost exclusively through the use of services. Carpenters, roofers, electricians, plumbers, flooring installers, painters, concrete and asphalt installers, landscapers, and many, many others contribute to a finished housing unit before it is available for sale. Taxing each and every one of those services would add thousands – even tens of thousands – to the final cost of a Maryland home.

Then, once that home is made available for sale, more services come into play. Mortgage lenders, home inspectors, septic and radon inspectors, appraisers, surveyors, title companies, moving companies, and the like would again be taxed under this bill. Finally, if a buyer is still able to afford their home purchase, they will again use service providers to maintain their home for as long as they live there – or anywhere in Maryland.

For a state that is ranked 43rd in the nation in housing affordability and constructing homes at the 8th slowest pace in the country, this is a tax we cannot afford.

When Maryland residents are saying that:

- The cost to buy a home is too high (82%);
- The cost to rent a home is too high (81%);
- Even with a full-time job, affording a home is a huge or medium obstacle (89%); and,
- High housing costs are leading them to consider leaving Maryland (44% of young renters),

this is a tax we cannot afford.

Maryland faces a housing crisis of 150,000 units and growing. This housing shortage has impacted our broader economy, as evidenced by the Comptroller's 2023 State of the Economy report. It is a priority of this Administration to close our housing gaps. This bill stands in direct opposition to that goal.

If Maryland is serious about addressing our housing crisis and getting our economy back on the path to growth, HB 1515 must receive an unfavorable report.

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