



Maryland Farm Bureau

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March 7th, 2024

To: House Ways and Means Committee

From: Maryland Farm Bureau, Inc.

Re: Letter of Information for HB1515: Sales and Use Tax - Rate Reduction and Services

On behalf of our member families, I submit this letter of concern/information for HB1515. This bill imposes the State sales and use tax on all services, except for only a select few services, by expanding the definition of taxable service. The bill also reduces the general State sales and use tax rate from 6% to 5% for taxable goods and services.

This bill would create a 5% tax on all the professional services farmers use to be able to farm and meet environmental standards in Maryland. **Some examples are: Nutrient Management consultants; CAFO consultants; Crop scouts; dairy, livestock & poultry nutrition consultants; fertilizer and crop protectant applicators; custom planting, and harvesting; feed deliveries; fuel deliveries; and pretty much all other assistance with a farmer's ability to produce food, fiber, and fuel in Maryland.**

Unfortunately, farmers have very little ability to raise prices of their crops to compensate for this new tax. Couple this tax with last year's increase to the minimum wage and the ability to profitable farm in Maryland will become nearly impossible. With 19 of Maryland's counties being adjacent to another state, it will be easy for a farmer to access their professional services outside the state to be able to save money. This will cripple the service-based industries in Maryland and cost many citizens their jobs.

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

A handwritten signature in black ink, appearing to read 'Tyler Hough', written over a horizontal line.

Tyler Hough
Director of Government Relations

Please Contact Tyler Hough, (443) 878-4045 with any questions