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March 7, 2024

The Honorable Venessa E. Atterbeary  
House Ways and Means Committee  
Room 131, House Office Building  
Annapolis, Maryland 21401

RE: House Bill 1515 - Sales and Use Tax - Rate Reduction and Services - UNFAVORABLE

Dear Chair Atterbeary and Members of the Committee,

I am writing in my capacity as both the Legislative Chairman of the Building Owners and Managers Association of Greater Baltimore (BOMA), and as a member of its Board of Directors, to respectfully request an unfavorable report on House Bill 1515.

BOMA, through its nearly 300 members, represents owners and managers of all types of commercial property, comprising 143 million square feet of office space in Baltimore and Central Maryland. Our members' facilities support over 19,000 jobs and contribute \$2.5 billion to the Maryland economy each year.

BOMA members are in the business of providing a variety of services to both building owners and tenants. The imposition of a sales tax on any of those services will simply result in higher costs for the citizens of Maryland who own or occupy BOMA-managed buildings. A new sales tax would likely be a key component in the operating costs of commercial buildings and, equally important, also in the evaluation of potential investors in those properties. Any effect would be to lower the value of the property.

We should point out that, similar to the introduction of this type of legislation in 2020, the legislature has little time to properly evaluate the proposal. If the General Assembly believes that a broad expansion of taxation on the sale of services may be appropriate public policy for our State, it should first conduct a thorough and detailed study of the issue, including an examination of each of the services to which a sales tax may apply.

For these reasons, we respectfully request an unfavorable report on House Bill 1515.

Sincerely,

A handwritten signature in blue ink that reads "KBauer".

Kevin J. Bauer  
BOMA Legislative Chair

cc: Bryson Popham