

MedChi

The Maryland State Medical Society

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TO: The Honorable Vanessa E. Atterbeary, Chair
Members, House Ways and Means Committee
The Honorable David Moon

FROM: J. Steven Wise
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DATE: March 11, 2024

RE: **LETTER OF INFORMATION** – House Bill 1515 – *Sales and Use Tax – Rate Reduction and Services*

The Maryland State Medical Society (MedChi), the largest physician organization in Maryland, respectfully provides this **letter of information** regarding House Bill 1515.

This bill applies to the sales tax to professional services, but also provides exemptions for certain services. Among the professional services exempted are those covered by North American Industrial Classification System Sector 62--Health Care or Social Assistance Service. Upon review, that exemption would seem to cover the medical care that is commonly provided by physicians. However, the extent of exactly what is covered by this "Sector 62" classification is not easily obtained from the Bureau of Labor Statistics website or otherwise. This is concerning because we want to make sure that every effort is made to avoid any confusion over whether health care services are excluded from the tax. Ascertaining greater detail on what is included, versus not, was not achievable in the short time between this bill's introduction and the hearing.

We appreciate the sponsor's effort to exclude health care professional services from the bill, because health care is already too expensive and inaccessible for many. Adding a sales tax would only add to that already high cost. We just want to make certain that the exclusion from the tax is both broad--in the interests of our patients--and clear--in the interests of our physician members.

Thank you for your consideration of this information.