

ASURION

TESTIMONY IN SUPPORT OF HB868/SB877 (SALES AND USE TAX – TAXABLE PRICE – EXEMPTION FOR TRADE IN VALUE OF PORTABLE ELECTRONICS)

Thank you, members of the committee, and good afternoon. My name is Grant Mullins, and I am in-house counsel for Asurion, the world's largest tech services company based in Nashville Tennessee.

I appear before you today in support of **HB868/SB877**. While the majority of states allow trade-in value deductions for any manner of personal property, Maryland is in a minority of jurisdictions that only allow the value of automobiles and watercraft trade-ins to be deducted from the gross sales price of new purchases before calculating sales tax.

If enacted, this bill would eliminate a regressive tax burden, make the tax code fairer, and bring Maryland into the mainstream of American tax policy. It only goes to reason that once a consumer pays sales tax on the full price of an item, the taxpayer should get credit for that tax payment relative to the value of the property being surrendered at the next purchase.

Furthermore, this bill is good for the environment. Allowing consumers to deduct the value of their electronic devices at trade-in for sales tax purposes incentivizes consumers to get their old electronics out of their junk drawers and into the hands of retailers who recycle them in an eco-friendly manner instead of eventually ending up in a landfill leaking toxic substances into the environment.

Finally, this bill would allow retailers to source hardware more broadly and increase sales. Asurion owns over a dozen stores in Maryland, and this change would allow us to harmonize our operations across the country and scale up potential device sales to consumers in the future while also making them more affordable for the customer.

In short, the bill is good for consumers, good for business, and good for the environment. I thank you for your time and am happy to take any questions.