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**HB 1515 – Sales and Use Tax – Rate Reduction and Services  
Ways and Means Committee  
March 11, 2024**

**FAVORABLE WITH AMENDMENTS**

AFSCME Council 3 supports HB 1515 with amendments. HB 1515 will reduce the state’s sales tax rate and expand it to professional services. Taxing certain services will modernize Maryland’s tax policy and bring in much needed revenue into the state.

We represent 45,000 state, county, and municipal workers across Maryland who rely on funding from revenues to provide quality government services to every Marylander. With large structural deficits looming, ensuring that every Marylander pays their fair share for these services, rather than cutting services, is a priority for our union.

We believe HB 1515 should be amended to exclude business-to-business services and should be considered as part of a broader package of tax reforms, similar to those being proposed by [Fair Share Maryland](#). During the Great Recession just over a decade ago, over \$5 billion was taken from state employees as their pay and benefits were used to help balance the budget. This period also witnessed devastating across-the-board cuts to state agencies, resulting in position losses that the Executive Branch is still working to recover from.

The costs of delivering public services increase over time, much like everything else. From education to public health, public safety, social services, and transportation, it is unrealistic to expect agency budgets to remain static. HB 1515 provides one option for ensuring that Maryland can continue to provide excellent public services for future generations.

We urge the committee to provide a favorable with amendments report on HB 1515.

Thank you.