



NFIB-Maryland – 60 West St., Suite 101 – Annapolis, MD 21401 – www.NFIB.com/Maryland

TO: Senate Budget and Taxation Committee

FROM: NFIB – Maryland

DATE: January 29, 2025

RE: **OPPOSE SENATE BILL 324** – Admissions and Amusement Tax – Food and Beverages

Founded in 1943, NFIB is the voice of small business, advocating on behalf of America's small and independent business owners, both in Washington, D.C., and in all 50 state capitals. With more than 250,000 members nationwide, and nearly 4,000 here in Maryland, we work to protect and promote the ability of our members to grow and operate their business.

On behalf of Maryland's small businesses, NFIB opposes Senate Bill 324 – legislation that, generally, would allow a county or local government to charge restaurants, bars, cafeterias, eateries, and more a gross receipts tax of up to 3% on the sale of food, alcoholic beverages, soda, bottled water, and candy.

This legislation will have an outsized and negative impact on small businesses in the jurisdictions that levy this tax. Administering the tax as prescribed in SB324 will introduce a new method of tax collection for many of these businesses, adding new complexities.

Given Maryland's unique geography and compact size, SB324 will put small businesses in such counties at a competitive disadvantage to their neighbors, not just over state lines, but now over county lines.

NFIB strongly supported legislation in 2020 ([SB223](#)/[HB185](#)) establishing a commission to evaluate the State's tax systems and make recommendations to ensure Maryland's tax policy is competitive with surrounding jurisdictions and encourages business growth and job creation.

We encourage the General Assembly to revisit the idea of such a commission before passing legislation like SB324 which creates more of a financial web small business owners must work through to ensure they remain competitive, financially viable, and do not run afoul of more tax collection requirements.

For these reasons, **NFIB opposes SB324** and requests an unfavorable report.