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Honorable committee members:

I am a CPA in Maryland and am writing to express my strong opposition to Senate Bill 1045, which proposes imposing a tax on professional services used by businesses in Maryland. I am deeply concerned about the negative impact these bills will have on businesses, the employees of small businesses in Maryland, and the resulting negative impact on Maryland's economy.

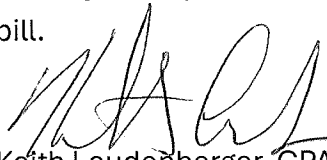
Many of the services this bill propose taxing are mandatory compliance services and not optional costs for many businesses in Maryland. Adding this tax increases these compliance costs reducing the capital available to invest in their businesses.

In today's mobile work world my firm is facing mounting pressure from out of state competitors. If My firm would need to charge a sales tax on the services, we provide to clients but an out of state competitor would not it would put my firm at a substantial disadvantage

Many service providers in Maryland are local businesses whose single largest expense is the wages we pay our staff. The loss of business that will result from clients seeking services from out of state providers or reducing the fees we charge to maintain cost competitiveness with out of state providers reduces the amount available to pay our staff. The competition for staff at CPA firms is very competitive. If my firm is not able to pay the same salaries as a Pennsylvania, West Virginia, or Virginia firm it is easy for staff to find employment at these out of state firms.

In conclusion, House Bill 1554 and Senate Bill 1045 will have far-reaching negative consequences for businesses and CPA professionals in Maryland. I urge you to reconsider these proposals and explore alternative measures that support, rather than hinder, the growth and success of our state's economy. Hurting Maryland businesses will only reduce the funds available to support the budget goals of the legislature.

Thank you for your attention to this matter. I look forward to your support in opposing this bill.



Keith Laudenberger, CPA

