Senate Bill 324

Admissions and Amusement Tax - Food and Beverages

MACo Position: **SUPPORT**

To: Budget and Taxation Committee

Date: January 29, 2025

From: Kevin Kinnally

The Maryland Association of Counties (MACo) **SUPPORTS** SB 324, which offers counties a much-needed tool to modernize revenue structures and address the mounting fiscal pressures of implementing the Blueprint for Maryland's Future, supporting essential public services, and an escalating housing affordability crisis.

More than two-thirds of Maryland residents live in counties that already impose the maximum 3.2% local income tax rate, leaving property taxes as the primary means of funding essential services. This reliance disproportionately impacts working families, exacerbates inequities, and worsens the state's housing challenges.

SB 324 empowers counties to implement sensible revenue solutions by authorizing local governments to impose an admissions and amusements tax of up to 3% on gross receipts from food or beverage sales under specified circumstances. This authority enables counties to collaborate with residents, businesses, and stakeholders to develop revenue approaches tailored to community needs.

The bill equips counties to fund transformative Blueprint mandates, which require substantial new educational investments while addressing pressing demands for affordable housing, infrastructure, and public safety. Without meaningful revenue options, counties will increasingly rely on property taxes, an unsustainable trajectory intensifying housing affordability challenges and placing undue strain on residents.

Modernizing revenue options ensures counties meet today's challenges without imposing regressive tax burdens or undermining housing affordability. SB 324 provides a balanced, practical solution that supports sustainable community investments while preserving local flexibility.

For these reasons, MACo urges a **FAVORABLE** report on SB 324.