



February 18, 2025

Re: SUPPORT SB 488

Chair Guzzone and Members of the Budget and Tax Committee –

Maryland’s craft beverage industry has grown significantly in recent years, reinforcing its role as a key driver of the state’s economy. In 2024, Maryland was home to **121 wineries, 148 breweries, and 48 distilleries**. These businesses not only produce a diverse range of beverages—including beer, wine, spirits, cider, and mead—but also serve as tourism destinations that attract thousands of visitors annually. The industry’s impact extends beyond production, supporting local agriculture, hospitality, and rural economic development.

The economic contribution of Maryland’s wineries, breweries, and distilleries is substantial. In 2019, their combined impact was estimated at **\$3.47 billion**, supporting tens of thousands of jobs and generating millions in state and local tax revenue. With the increase in craft beverage producers since then, the industry’s financial influence has only grown.

Yet, due to the increased costs of doing business, stalled recovery coming out of COVID-19 and supply chain disruptions, the industry has been met with a plethora of recent closures and large scale manufacturing operations that have been moved out of state to scale efficiencies.

SB 488 seeks to provide a tool in the toolbox for manufacturers that are struggling in this business climate. Notably, HB168 seeks to mandate a statewide personal property tax exemption across all local jurisdictions on manufacturing equipment for small and medium sized businesses. To date, there are several municipalities across Maryland that collect property tax on the very equipment used to manufacture the products that help keep the business afloat. And in the case of breweries, distilleries and wineries, this equipment is the very lifeline for their businesses – attracting customers from near and far – generating significant tax revenue for the state and local jurisdictions. The tax burden on these manufacturing businesses is already significant. **Therefore, we urge this committee to alleviate this property tax liability and move favorably on SB 488.**

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