



January 27, 2025

The Honorable Guy Guzzone, Chairman
Senate Budget and Taxation

Re: Senate Bill 324 – Admissions and Amusement Tax - Food and Beverages

Position: *Oppose*

Chairman Guzzone & Committee Members:

On behalf of the Maryland Association of Destination Marketing Organizations (MDMO), I am writing to express our *opposition* to Senate Bill 324 – Admissions and Amusement Tax - Food and Beverages. Senate Bill 324 would authorize a county or municipal corporation to impose the admissions and amusement tax on gross receipts from the sale of food or beverages at a rate up to 3%.

Tourism is an economic ecosystem, delivering opportunity and quality of life for Marylanders that is derived from visitor spending. The travel sector is an integral part of Maryland's economy that contributes over \$2 billion in state and local tax revenues a year. By increasing the tax rate on food or beverages, this legislation would disincentivize consumers from spending their money in a county or municipality where the increased rate is adopted.

Over time, travelers may avoid counties with prohibitive tax rates in favor of those who are without them, reducing the tax base this legislation is intended to increase. Additionally, as the volume of tourists decreases, the tax burden of this proposal will be increasingly shouldered by the individuals who live in the jurisdictions that adopt it. The additional cost will factor into their cost of living and quality of life calculations. In response, individuals in these communities will avoid the businesses where food is taxed at a higher rate and may consider leaving altogether.

While we understand the importance to the state of finding new revenue streams, this legislation would make the jurisdictions who adopt it less desirable to both live in and travel to. The proposal would hurt businesses and limit income to the state in the long run. We respectfully request an *unfavorable* report on SB 324.

Respectfully Submitted,


Cassandra M. Vanhooser
Chairman