Testimony on behalf of the Maryland Hotel Lodging Association

In Opposition to SB 324
Admissions and Amusement Tax - Food and Beverages
Budget and Taxation Committee - January 29, 2025

The Maryland Hotel Lodging Association (MHLA) serves as the sole statewide trade association dedicated to advocacy for Maryland's 750+ hotels. Our industry employs more than 25,000 individuals and provides the state with $2 billion in state and local taxes, $6 billion in total wages and salaries, and $9 billion in spending by hotel guests contributing to Maryland's economy.

SB 324 would authorize a county or municipal corporation to impose up to a 3% admissions and amusements tax on certain food and beverage purchases. For hotel guests, this could result in an additional tax on banquets, conventions and meetings as well as room service and on-site F&B outlets.

Maryland hotel guests are already heavily taxed. Food and beverage served at our properties is subject to 6% sales tax. The sales tax on alcoholic beverages is even higher at 9%. For overnight guests, rooms are subject to 6% sales tax plus county/municipal occupancy taxes ranging from 4% - 12%. In National Harbor, the total tax rate on hotel rooms is the highest in the state at 18% (6% sales tax + 12% county/municipal occupancy tax). In Baltimore City, hotel guests are assessed an additional 2% for the Baltimore Tourism Improvement District, making the total tax rate on rooms 17.5% (6% sales tax + 9% occupancy tax + 2% BTID assessment).

As taxes and other costs continue to skyrocket for Maryland's hotel guests, we fear that the very real unintended consequences of this bill would cause us to reach a tipping point that will lead to the LOSS of tourism related business. This would in turn diminish our economic viability with a potentially negative impact on jobs AND reduced tax revenue on both the state and local levels at a time when revenue is desperately needed.

We urge an unfavorable report on SB 324.

Respectfully submitted,

Amy Rohrer, CAE
President & CEO