



Testimony in Opposition of Senate Bill 324
Admissions and Amusement Tax – Food and Beverage

To: Senator Guy Guzzone
Chair, Budget and Taxation Committee

Written testimony from: Kristen Pironis
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Dear Chair Guzzone and Members of the Budget and Taxation Committee:

On behalf of Visit Annapolis and Anne Arundel County, I am writing to express our **opposition** to Senate Bill 324 regarding Admissions and Amusement Tax – Food and Beverages, which 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 percent.

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, contributing over \$2 billion in state and local tax revenues each year. By increasing the tax rate on food or beverages, this legislation would disincentivize consumers from spending their money in counties or municipalities where the increased rate is adopted. Over time, travelers may avoid counties with prohibitive tax rates in favor of those without them, ultimately reducing the tax base this legislation aims 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, residents in these communities may avoid businesses where food is taxed at a higher rate and may even consider leaving altogether.

While we understand the importance of finding new revenue streams for local municipalities, this legislation would make the jurisdictions that adopt it less desirable to both live in and travel to which negatively impacts residents and tourists. Visit Annapolis & Anne Arundel County strongly urges that you oppose SB324 and requests an unfavorable report.

Thank you for your service and your consideration.

Sincerely,

Kristen Pironis
Executive Director
Visit Annapolis & Anne Arundel County