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The Honorable Guy Guzzone  
Chairman, Senate Budget and Taxation Committee  
3 West Miller Senate Office Building  
Annapolis, Maryland 21401

RE: Senate Bill 1045 - Sales and Use Tax - Taxable Business Services - Alterations UNFAVORABLE

Dear Chairman Guzzone and Members of the Committee,

On behalf of [Sevita Health](#) and its [Adult Day Health](#), [Mentor Maryland](#), and [NeuroRestorative](#) divisions, we respectfully request an unfavorable report on Senate Bill 1045.

Sevita is a leading national provider of home and community based specialty health care services. Sevita provides adults, children, and their families innovative, quality services and supports that lead to growth and independence, regardless of the physical, intellectual, or behavioral challenges they face.

A principal concern of Sevita Health, and its divisions listed above, is a lack of definitional certainty in this legislation. Notwithstanding the reference to the North American Industrial Classification System (NAICS), there is substantial room for interpretation of the classifications that would be subject to taxation under the bill, e.g.; the category of “data or information technology service,” while described on page 5, in line 3 of the bill, can be broadly interpreted. Similarly, a “consulting service” cited on page 5, line 7 of the bill, is equally broad. Delegating the taxation of services under these and other categories to the Comptroller is essentially ceding legislative authority for a decision on taxation that should properly be made by the legislature.

Sevita Health is cognizant of the fiscal needs you are currently addressing on behalf of the State. We recognize that a revision of the Maryland sales tax law to include certain services may be appropriate; however, such a far-reaching change in Maryland tax policy should be made only after a thorough examination of the proposals and their effects on Maryland citizens. Sevita Health would gladly participate in a discussion of such measures as they impact the Marylanders that we serve. We hope to have the opportunity to do so.

Sevita Health respectfully urges the Committee for an unfavorable report on Senate Bill 1045.

Very truly yours,



Bryson Popham

cc: Jessica Long – Sevita Health