



January 29, 2025

Legislative Position: Unfavorable
Senate Bill 324
Admissions and Amusement Tax - Food and Beverages
Senate Budget and Taxation Committee

Dear Chairman Guzzone and members of the committee:

Founded in 1969, the Howard Chamber of Commerce is dedicated to helping businesses—from sole proprietors to large international firms—grow and succeed. With the power of 700 members that encompass more than 170,000 employees, the Howard County Chamber is an effective partner with elected officials and advocates for the interests of the county's business community.

The Howard County Chamber of Commerce strongly opposes SB 324, which would authorize counties and municipalities to impose an additional 3% tax on the sale of food and beverages for consumption on the premises. As the voice of the business community in Howard County, we believe that this tax would have a devastating impact on our tourism and restaurant industries. According to the bill text, the proposed tax would be imposed on gross receipts derived from the sale of food or beverages at a place where there are facilities for the consumption of food or beverages on the premises. This would disproportionately affect restaurants, bars, and other food service establishments that are already operating on thin margins.

Imposing an additional 3% tax on food and beverages would lead to increased costs for consumers, reduced sales for businesses, and a decline in economic activity in Howard County. Our tourism industry, which is a significant contributor to the local economy, would also be negatively impacted as visitors would be less likely to dine out or stay in hotels that charge higher taxes. Furthermore, this tax would create an uneven playing field for businesses in Howard County, as some establishments would be exempt from the tax while others would be required to pay it. This would lead to confusion and unfair competition, ultimately harming the local economy.

We urge the Committee to issue an unfavorable report on SB 324. We believe that this tax would be a step in the wrong direction and would harm the very businesses that are driving economic growth and job creation.

Sincerely,

Kristi Simon
President & CEO
Howard County Chamber of Commerce