

SB460_MRA_FAV.pdf

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Position: FAV

MARYLAND RETAILERS ALLIANCE

The Voice of Retailing in Maryland



SB460 Sales and Use Tax - Cut Flowers - Exemption Budget and Taxation Committee February 5th, 2025

Position: Favorable

Background: SB460 would exempt the purchase of cut flowers from the State sales and use tax.

Comments: The Maryland Retailers Alliance supports SB460 Sales and Use Tax - Cut Flowers - Exemption. Exempting cut flowers from the State sales and use tax would reduce the overall cost of the sale of flowers in Maryland, incentivizing their purchase within the state. This benefits both customers purchasing and businesses selling these cut flowers, not only by increasing sales but also by reducing overall costs through lowering transaction totals and thereby reducing the interchange fees that businesses must pay to process card transactions. As State law already allows agricultural food products to be sold without incurring the sales and use tax, and as some flowers are considered to be edible products, SB460 would align the sale tax application across these agricultural items.

We would urge the Committee to vote favorably on this proposal. Thank you for your consideration.

DG Written Testimony_SB0460.docx.pdf

Uploaded by: Senator Gile

Position: FAV

DAWN D. GILE
Legislative District 33
Anne Arundel County

Finance Committee

Chair

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THE SENATE OF MARYLAND
ANNAPOLIS, MARYLAND 21401

Testimony in Support of SB0460 - Sales and Use Tax - Cut Flowers - Exemption

Mr. Chair, Mr. Vice Chair, and Members of the Senate Budget and Taxation Committee:

SB0460 would eliminate the sales and use tax for cut flowers.

Background

Under current tax law, most agricultural products, including produce sold by farmers, are exempt from sales and use tax. However, cut flowers are treated differently and remain taxable. Even more illogical, flowers sold for consumption are exempt, while those sold for display are not—an inconsistent and unfair distinction.

Solution

SB0460 simply expands the existing agricultural products exemption to include cut flowers.

For these reasons, I respectfully request a favorable report on SB0460.

MDFB - Support - SB460 Sales and Use Tax - Cut Flo

Uploaded by: Tyler Hough

Position: FAV



Maryland Farm Bureau

3358 Davidsonville Road | Davidsonville, MD 21035
410-922-3426 | www.mdfarmbureau.com

February 3, 2025

To: Senate Budget and Taxation Committee

From: Maryland Farm Bureau, Inc.

RE: **Support of SB460 - Sales and Use Tax - Cut Flowers – Exemption**

On behalf of the nearly 8,000 member families of the Maryland Farm Bureau, I submit written testimony in support of SB460 Sales and Use Tax - Cut Flowers – Exemption. This bill would provide an exemption from the sales and use tax for the sale of cut flowers.

Maryland farmers are not only resilient but also highly innovative. With tight margins in traditional farming, many have sought ways to diversify their operations to remain financially sustainable. One growing avenue is value-added agriculture, which allows farmers to enhance their products or services to increase their market appeal and profitability. Under COMAR, “value-added agriculture” is legally defined as the alteration or enhancement of a raw agricultural product, including livestock, or an agricultural service, to increase its value to consumers and boost revenue for farmers, producers, or processors. This category includes a wide range of activities, such as turning milk into cheese, processing fruit into jam, and growing flowers for sale as cut arrangements. Cut flower growers, in particular, have seen increased demand as consumers seek locally grown, sustainable floral products. However, despite their role in Maryland’s agricultural landscape, these growers do not currently receive the same tax benefits as other agricultural producers, creating a financial disadvantage.

A sales and use tax exemption would allow cut flower growers to receive the same tax benefits as other agricultural sectors. Currently, many agricultural products and services qualify for exemptions that help farmers manage costs and maintain sustainable operations. Extending these exemptions to cut flower growers would ensure they are not at a disadvantage compared to other value-added agricultural industries. Without this support, growers face additional financial burdens that can make it difficult to compete in the market. By reducing costs through tax relief, this exemption would enable small-scale cut flower operations to reinvest in their businesses, expand production, and strengthen Maryland’s agricultural economy. Furthermore, it would encourage new growers to enter the industry, fostering innovation and job creation in rural and suburban communities.

Maryland Farm Bureau Supports SB460

Sincerely,

Director of Government Relations

Please Contact Tyler Hough, though@marylandfb.org, with any questions

2025 SB0460 Testimony Against 2025-02-05.pdf

Uploaded by: Alan Lang

Position: UNF

Testimony Against SB0460

Honorable Senators

Please enter an unfavorable report about SB0460.

Why should this one subset of retail business be exempt from sales tax?

Without knowing a compelling reason for granting this special treatment, please enter an unfavorable report about SB0460.

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February 5, 2025