

Letter of Support SB979.pdf

Uploaded by: Amanda Brooks

Position: FAV



BOARD OF COUNTY COMMISSIONERS OF
WASHINGTON COUNTY, MARYLAND

February 20, 2025

Senator Guy Guzzone, Chair
Budget and Taxation Committee
3 West Miller Senate Office Building
Annapolis, Maryland 21401

RE: **Support for Senate Bill 979-Local Government-Accommodations Intermediaries-Hotel Rental Tax Collection by Comptroller**

Dear Senator Guzzone:

The Board of County Commissioners of Washington County (the “Board”) unanimously support the passage of SB 979. This Bill proposes that the administration of the hotel rental tax be transferred from the Counties to the office of the Comptroller. The County’s support is based on two factors.

Primarily, a transfer of responsibility from the individual Counties to the Comptroller’s Office would be more efficient. Rather than entrusting individual Counties who have varying levels of resources and expertise, the administration of the hotel tax would be centralized with the Comptroller who already possesses the resources and infrastructure to effectively administer the collection of these taxes.

Second, the solution proposed by SB 979 makes good financial sense. Maintaining tax infrastructure is an expensive proposition. It requires the hiring of experts and dedication of time and effort from Counties with relatively minimal administrative infrastructure. As discussed above, the Comptroller’s Office already possesses the necessary infrastructure to administer the collection of the hotel taxes. Therefore, shifting the administration of these taxes would have the effect of considerably lessening the financial burden of each County without considerably increasing the financial burden of the State.

The proposed measures of SB 979 will result in more efficient and less expensive administration of the hotel tax. For the reasons stated above, we ask that you support the passage of SB 979.

Sincerely,

BOARD OF COUNTY COMMISSIONERS
OF WASHINGTON COUNTY, MARYLAND

BY:


John F. Barr, President

100 West Washington Street, Suite 1101 | Hagerstown, MD 21740 | P: 240.313.2200 | F: 240.313.2201 | TDD: 711

CalvertCounty_FAV_SB979.pdf

Uploaded by: Earl Hance

Position: FAV



CALVERT COUNTY BOARD OF COUNTY COMMISSIONERS

175 Main Street
Prince Frederick, Maryland 20678
410-535-1600 • 301-855-1243
www.calvertcountymd.gov

Board of Commissioners
Mark C. Cox Sr.
Catherine M. Grasso
Earl F. Hance
Mike Hart
Todd Ireland

March 2, 2025

VIA ELECTRONIC MAIL

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

Re: SB979 – Calvert County - Hotel Rental Tax - Distribution of Revenue

Chair Guzzone, Vice Chair Rosapepe, and Committee Members:

On behalf of the Calvert Board of County Commissioners, we write to express our strong and unanimous support for the passage of SB979. This legislation seeks to transfer the administration of the hotel rental tax from individual counties to the Office of the Comptroller, a move that we believe will enhance efficiency and fiscal responsibility.

Our support for SB979 is based on two key factors:


1. **Increased Efficiency** – Centralizing the administration of the hotel rental tax under the Comptroller’s Office will streamline operations, ensuring a consistent and effective approach across all jurisdictions. Rather than relying on individual counties—each with varying levels of resources and expertise—the Comptroller’s Office is well-equipped with the necessary infrastructure to manage the collection of these taxes efficiently.
2. **Financial Prudence** – Maintaining tax administration systems at the county level requires significant investment in personnel, technology, and oversight. For many counties, this represents a considerable financial burden. HB1103 presents a cost-effective solution by leveraging the Comptroller’s existing infrastructure, reducing administrative costs for counties while minimizing any additional financial impact on the State.

By adopting the measures outlined in SB979, Maryland can achieve a more effective, streamlined, and fiscally responsible approach to hotel tax administration. We appreciate your time and consideration of our position on this important matter.

Should you have any questions or require further information, please do not hesitate to contact County Administrator Julian M. Willis at 410-535-1600 extension 2202 or Economic Development Director Julie Oberg at 410-535-1600 extension 2485.

Sincerely,

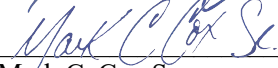
BOARD OF COUNTY COMMISSIONERS
CALVERT COUNTY, MARYLAND



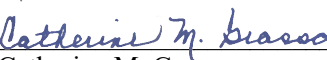
Earl F. Hance, President




Todd Ireland, Vice President



Mark C. Cox Sr.



Catherine M. Grasso



Mike Hart

cc: Calvert County Senators and Delegation

Airbnb TN.pdf

Uploaded by: Jamie Gregory

Position: FAV

Airbnb delivers \$425M in tourism taxes on behalf of Tennessee Hosts

By [Airbnb](#) · April 2, 2024

Key Takeaways

- Airbnb has collected and remitted more than \$425 million in tourism taxes on behalf of Hosts in Tennessee since 2018, including \$135 million in 2023.
- Local hotel occupancy tax revenue from short-term rentals has generated more than \$15 million for affordable housing in Nashville through the Barnes Fund.

We recently [announced](#) Airbnb has collected and remitted more than \$10 billion in tourism taxes to governments around the world. **In Tennessee that includes more than \$425 million in sales and occupancy taxes since 2018, including over \$135 million in 2023 alone.**

Airbnb began collecting and remitting state and local sales taxes on behalf of Hosts in Tennessee in 2018. Since then, we've championed statewide legislation to create a centralized tax collection system that further streamlines tourism tax collection by allowing platforms to collect and remit all applicable local occupancy taxes on behalf of Hosts across the state. After the implementation of the state's centralized tax collection system in 2021, Tennessee saw a [320 percent increase](#) in the amount of taxes collected on our platform.¹

“I'm proud to have championed legislation that streamlines the way Tennessee collects local occupancy taxes on short-term rentals. Not only has this model helped reduce administrative costs for local governments, but it has also allowed a key segment of Tennessee's tourism economy to contribute significantly more tax revenue to cities and counties across the state without increasing tax rates. A win-win for all.”

—Senator John Stevens, District 24, Tennessee

Funding affordable housing in Nashville

The tax revenue generated from travel on Airbnb helps fund critical government services in cities and counties across the state. **In Davidson County, for example, we've collected a total of \$48 million in local sales and occupancy taxes, including approximately \$18 million in 2023.**

Thanks to legislation passed in 2015, one percent of local occupancy taxes from short-term rentals in Nashville goes to the [Barnes Fund](#), a housing trust fund that issues grants to nonprofit housing developers in Davidson County. Since this legislation went into effect, **tax dollars from short-term rentals have generated more than \$15 million for the Barnes Fund and remain the only consistent source of dedicated funding for affordable housing in Nashville.**

To build on the success of the Barnes Fund, we recently supported HB 468/SB 1050 which would enable Nashville to allocate more tax revenue from short-term rentals to affordable housing initiatives. It's estimated the legislation would allow Nashville to quadruple the amount of funding to the Barnes Fund. While the bill has not received a hearing this session, we encourage the state legislature to consider the proposal and remain committed to championing policies that prioritize funding for housing affordability initiatives in Nashville, the state of Tennessee, and all communities where we operate.

SB979 - Airbnb Written.pdf

Uploaded by: Jamie Gregory

Position: FAV

SB979: Local Government – Accommodations Intermediaries - Hotel Rental Tax Collection by Comptroller

Sponsor: Budget & Taxation Chair Guy Guzzone

Hearing: Wednesday, March 5, 2025, 1:00PM

Position: FAVORABLE

Testimony on behalf of Airbnb, Inc.

Economic Impact:

Airbnb is an economic lifeline for many Hosts and an affordable travel option for guests.

Recent survey data shows:

- 42% of hosts said the money earned helped them stay in their home.
- 60% of MD hosts are Female and earned about \$13,000 in additional income.
- More than 20% are over 60 years old.
- Approximately 800,000 people visited MD by staying with an Airbnb Host.

In 2023, Airbnb contributed \$667 Million to Maryland's GDP and collected \$210 Million in total tax revenue.

Issue:

- There is a need for efficient, industry-wide collection of taxes on local transient charges.
- Many local jurisdictions lack the authority to capture platforms currently (Commissioner Counties for example generally lack this authority with limited exceptions) and it is difficult for platforms to track changes to local tax bases, exemptions, and tax rates across thousands of jurisdictions in the US simultaneously.
- The Supreme Court in South Dakota v. Wayfair, permits states and locals to mandate platform collection of local taxes so long as they provide the following protections and systems:
 - + Single state level administration
 - + Uniform definitions
 - + Uniform rules
- Without these protections, mandating the collection of local taxes by remote sellers and platforms (whether they are accommodations intermediaries or marketplace facilitators) is an unconstitutional undue burden on interstate commerce.
- Localities that have mandated platforms to collect without centralized "single state level administration" have been sued and forced to centralize collection of local taxes through legislation. For example, the Halstead Bead suit against Louisiana which resulted in Louisiana centralizing local sales tax collection for remote sellers/platforms, and the Wayfair v. Colorado suit which resulted in tax centralization for remote sellers/platforms.

Concern:

- Counties have been using voluntary agreements with short-term rental platforms, however not every platform participates, which creates an unlevel marketplace.
- Cities and Counties lack authority under *South Dakota v. Wayfair* to collect tax from platforms.

Proposal:

- Centralized collections at the Comptroller's Office with distribution to the respective counties on a regular basis.
- The Comptroller is better equipped to require all industry platforms to participate as the Comptroller already administers the state sales tax on accommodation and collects it from platforms.
- The Comptroller will be able to charge a reasonable administrative fee.
- A more efficient, centralized collection process will increase revenue to local jurisdictions.
- The State of Tennessee adopted similar legislation in 2021 and saw a significant increase in local revenue raised.
- Increases local tax revenues for all counties and cities by:
 - +Increasing collection of local hotel taxes by capturing all short-term rental platforms, including international based platforms who will not collect and remit local taxes unless they are legislatively captured, which creates a competitive disadvantage for Maryland hosts who want to use domestic platforms by allowing the international platform to charge 15-18% less (no taxes charged).
- The bill also reduces local administrative costs by:
 - + Transitioning responsibility for collecting the taxes from decentralized and numerous Hosts to a few centralized Platforms for facilitated stays
 - + Centralizing the collection and audits of both taxes with the Comptroller
- The bill lowers future legal risk at the local level by:
 - + Eliminating the risk that local ordinances capturing Platforms are undue burdens (*Wayfair*).
 - +The bill ensures that traditional hotels and short-term rentals are always treated equitably.

Conclusion:

This legislation is good public policy that is beneficial to the short-term rental platforms and the local jurisdictions by creating a more efficient and level tax collection system that will raise uncollected revenue.

For any questions or more information regarding Airbnb's position, please contact Jamie Gregory at jgregory@lhstrategy.com or 202-841-3567.

SB 979 - STR Tax Collection - FAV - REALTORS.pdf

Uploaded by: Lisa May

Position: FAV



Senate Bill 979 – Local Government - Accommodations Intermediaries - Hotel Rental Tax Collection by Comptroller

Position: Support

Maryland REALTORS® supports SB 979, to streamline the collection of short-term rental taxes.

Currently, short-term rental taxes are collected through a patchwork of local collection methods and optional compliance by certain short-term rental platforms. As a result, both state and local governments are not receiving the full revenue benefit from the economic activity that short-term rental units provide.

By addressing this issue through the Office of the Comptroller and through short-term rental platforms, this approach will not create undue burdens for collections and filing by the owners of these properties.

For this reason, Maryland REALTORS® asks for your support of SB 979.

**For more information contact
lisa.may@mdrealtor.org or christa.mcgee@mdrealtor.org**

MML - SB 979 - FWA.pdf

Uploaded by: Justin Fiore

Position: FWA



Maryland Municipal League
The Association of Maryland's Cities and Towns

TESTIMONY

March 5, 2025

Committee: Senate Budget and Taxation Committee

Bill: SB 979 – Local Government - Accommodations Intermediaries - Hotel Rental Tax Collection by Comptroller

Position: Support

Reason for Position:

The Maryland Municipal League supports Senate Bill 979 with amendments, which seeks to ensure third-party online accommodation platforms are collecting and remitting the proper local taxes.

The League views this concept favorably, as local governments necessarily expend resources supporting short-term rentals within their jurisdictions via infrastructure, public safety, code compliance, and inspections. As a matter of fairness, renters should pay these taxes whether they book directly through a platform like Airbnb or a third-party platform such as Expedia.

However, we would request two amendments:

Firstly, we request to strike (D)(2) in section 20-432, which prohibits jurisdictions from applying a separate rate on short-term rentals than on other accommodations. As a matter of public policy, municipalities appreciate the discretion to say, “X has a different public impact than Y and should be treated as such.” Regulating and inspecting hotels comes with certain economies of scale that simply do not apply to short-term rentals which can be scattered throughout the jurisdiction. Furthermore, local governments must consider the impact of short-term rentals on housing, and taxation rates can be used to incentivize or discourage certain behaviors where it makes sense. Those nuanced conversations are unique to each jurisdiction.

Secondly, the League requests the Comptroller’s administrative fee be capped at 1.5%. We were recently made aware the Comptroller is already charging as much as 5% on local Admission and

Amusement collections. Ocean City advises that Worcester County is able to collect and remit on their behalf with only a 1% administrative fee.

Our understanding is that this legislation is not expected to change the way providers (like Airbnb) currently remit taxes to municipalities.

For these reasons, the Maryland Municipal League respectfully requests a ***favorable*** report on Senate Bill 979 with our two amendments. For more information, please contact Justin Fiore, Deputy Director of Advocacy and Public Affairs, at justinf@mdmunicipal.org. Thank you in advance for your consideration.

The Maryland Municipal League uses its collective voice to advocate, empower and protect the interests of our 160 local governments members and elevates local leadership, delivers impactful solutions for our communities, and builds an inclusive culture for the 2 million Marylanders we serve.

SB0979-BT_MACo_SWA.pdf

Uploaded by: Kevin Kinnally

Position: FWA



Senate Bill 979

Local Government - Accommodations Intermediaries - Hotel Rental Tax Collection by Comptroller

MACo Position: **SUPPORT**
WITH AMENDMENTS

To: Budget and Taxation Committee

Date: March 5, 2025

From: Kevin Kinnally

The Maryland Association of Counties (MACo) **SUPPORTS SB 979 WITH AMENDMENTS**. This bill aims to centralize short-term rental (STR) tax collection under the Comptroller, improving tax administration while ensuring STRs provide a fair and consistent local revenue source.

Counties rely on these funds to support tourism, economic development, and essential services. While centralizing collection offers efficiency, amendments are necessary to protect local enforcement authority, maintain compliance with zoning and safety regulations, and ensure transparency in tax remittances.

STRs, typically rented for under 30 days, have surged in popularity across Maryland, facilitated by platforms like Airbnb and VRBO. While these rentals provide economic opportunities, they also present new challenges for local governments tasked with enforcing zoning laws, public safety standards, and tax obligations. The bill risks weakening local oversight without an amendment to clarify that nothing in the bill preempts or limits local zoning, licensing, and health and safety regulations.

STR platforms must verify and report license numbers in jurisdictions with licensing requirements. Without this safeguard, unlicensed rentals may continue operating unchecked. Airbnb and other platforms already comply with similar requirements elsewhere, demonstrating feasibility. An amendment should require platforms to verify, display, and include STR license numbers in tax filings.

Counties must also have access to detailed, property-level tax reporting to ensure fair tax enforcement. Local governments cannot reconcile payments, detect underreporting, or verify compliance without itemized remittance reports. Requiring the Comptroller to provide counties with property-specific tax data would allow for meaningful enforcement and revenue tracking.

Independent audit authority is another essential compliance tool. The bill prohibits the Comptroller from auditing individual STR operators, limiting platform oversight. This structure relies entirely on self-reported data from intermediaries without independent verification. Removing this restriction would allow counties to cross-check tax remittances against licensing and other records, closing enforcement gaps that could result in lost revenue.

A streamlined tax collection system should not come at the expense of necessary local authority or transparency. MACo urges amendments to protect regulatory authority, bolster compliance mechanisms, and ensure counties receive the data to properly administer tax laws and zoning regulations. Accordingly, MACo urges a **FAVORABLE WITH AMENDMENTS** report on SB 979.

HB1103_SB979 Budget Reconciliation and Financing A

Uploaded by: Sarah Peters

Position: FWA



Bill: HB 1103/SB 979 - Local Government - Accommodations Intermediaries - Hotel Rental Tax Collection by Comptroller

Position: Favorable with Amendments

Dear Chair, Vice-Chair, and Members of the Committee:

On behalf of the City of Gaithersburg, we write to provide the following thoughts and potential amendments on HB 1103/SB 979.

1. For Cities that impose their own Hotel & Motel Tax, separately from the County, will they receive information directly from the Comptroller to help the City verify hotel rental tax liability for the tax remitted and receive distributions directly from the Comptroller for the hotel rental tax collected and remitted by an accommodation intermediary, like the County?

If so, we suggest that this be clearly stated in Section 20-434 (page 17).

2. If Cities imposing their own tax will not receive information and payment directly from the Comptroller, what information will be provided to the County so that they can parse this information out to the municipalities within their jurisdictions that have their own hotel tax? Additionally, will additional fees above what the Comptroller charges be tacked on by the County when remitting payments to the City?

If the way the language is currently worded is for Counties to pass on the tax to the municipalities (including cities imposing their own tax, not just a % share agreement), we suggest language in which the Comptroller will provide the information and payments directly to the Cities that have set their own rates be added. We anticipate this to make things much more streamlined.

City of Gaithersburg • 31 South Summit Avenue, Gaithersburg, Maryland 20877-2038
301-258-6300 • FAX 301-948-6149 • cityhall@gaitthersburgmd.gov • gaitthersburgmd.gov

MAYOR
Jud Ashman

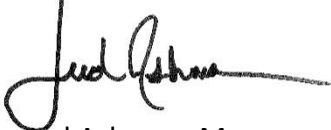
COUNCIL MEMBERS
Neil Harris
Lisa Henderson
Yamil Hernández
Jim McNulty
Robert Wu

CITY MANAGER
Tanisha R. Briley

Lastly, we would suggest that additional clarification be added about the returns the intermediary's file. If they file a consolidated return, the individual hotel information and location will need to be provided to ensure the tax is collected and allocated to the correct jurisdiction.

Thank you and we appreciate you considering these thoughts and amendments. Should you have any questions, please feel free to contact me.

Sincerely,

A handwritten signature in black ink, appearing to read "Jud Ashman", with a long horizontal flourish extending to the right.

Jud Ashman, Mayor
City of Gaithersburg

SB979_MHLA_UNF_Rohrer.pdf

Uploaded by: Amy Rohrer

Position: UNF

MHLA
Maryland Hotel
Lodging Association

Testimony in Opposition to SB 979

Local Government - Accommodations Intermediaries - Hotel Rental Tax Collection by
Comptroller

Budget and Taxation Committee – March 5, 2025

SB 979 would enable accommodation intermediaries to remit hotel tax for short-term rental bookings they facilitate through monthly remittance to the state comptroller, who would then retain an unspecified portion of the tax before passing it on to the counties. The bill also specifies auditing procedures and limits the data that taxing authorities may request from accommodation intermediaries in order to conduct an audit for this specific segment of the lodging industry.

The Maryland Hotel Lodging Association is not opposed to the concept of centralized hotel tax collection for accommodation intermediaries. However, we are concerned by areas of the bill, as detailed below, that go beyond this concept to 1) limit a county's authority to regulate or impose tax on short-term rentals and 2) establish preferential treatment for auditing of short-term rental hotel tax remittance.

- We strongly oppose language prohibiting a county or municipality from imposing a higher tax rate on short-term rentals than other accommodations. Short-term rentals have impacts on housing and communities that are unmatched by traditional hotels, as they bring tourism impacts into residential areas where hotels do not exist. Localities should maintain their existing authority to establish higher tax rates on short-term rentals if deemed necessary at the local level. If this legislation moves forward, we ask that you strike **lines 6-8 on page 7 and lines 23-28 on page 16**.
- We have concerns related to localities being entirely excluded from the audit process, as stated in **lines 4-6 on page 9**. Some counties audit on a set schedule (i.e.: every 3 years). Where applicable, would the Comptroller execute audits of the intermediaries on the same schedule that hotels are audited by the locality? If not, we would consider that a competitive advantage that hotels are not entitled to or asking for.

MHILA
Maryland Hotel
Lodging Association

- We suggest striking the following language toward the **end of line 13 – line 15 on page 28**: “ONLY TO THE EXTENT THAT THE INFORMATION IS NECESSARY FOR THE ENFORCEMENT OF THE TAX COLLECTION OBLIGATIONS IMPOSED ON THE ACCOMMODATIONS INTERMEDIARY”. We also suggest **adding subparagraph (IV)** to clarify that "any other additional information deemed necessary by the comptroller's office" in the course of an audit may be requested. Tax authorities are not limited in the information they can request from hotels during an audit. These changes would essentially bring the auditing process in line with that of hotels. Additionally, it would strengthen this provision by lessening the ability for a platform to argue that detailed property level information is not “necessary” for enforcement of tax obligations.

In summary, short-term rentals benefit from tourism marketing and promotion that is funded by hotel tax, and we are not opposed to a centralized process making it easier for accommodation intermediaries to facilitate collection and remittance. However, we must oppose SB 979 unless amended to address the concerns outlined in our testimony.

Respectfully submitted,

Amy Rohrer, CAE
President & CEO

SB0979-BT-UNF.pdf

Uploaded by: Nina Themelis

Position: UNF



BRANDON M. SCOTT
MAYOR

*Office of Government Relations
88 State Circle
Annapolis, Maryland 21401*

SB979

March 5, 2025

TO: Members of the Senate Budget and Taxation Committee

FROM: Nina Themelis, Director of Mayor's Office of Government Relations

RE: Senate Bill 979 - Local Government - Accommodations Intermediaries - Hotel Rental Tax Collection by Comptroller

POSITION: UNFAVORABLE

Chair Guzzone, Vice Chair Rosapepe, and Members of the Committee, please be advised that the Baltimore City Administration (BCA) **opposes** Senate Bill (SB) 979.

SB 979 creates a centralized system for collecting local hotel rental taxes from accommodations intermediaries, requiring them to remit the tax to the Comptroller's Office. It applies to intermediaries with at least \$100,000 in booking transactions or 200 or more bookings. The bill would allow the Comptroller to manage the distribution of taxes to county and municipal governments and charge a fee for administrative costs. It would also require intermediaries to file a specific type of tax return. Lastly, SB 979 would establish certain state laws take precedence over local laws or agreements regarding the hotel rental tax.

Currently, Section 1-101(b)(2) of the Local Government Article of the Maryland Code makes clear that the term "charter county" as used in the Local Government Article does NOT apply to Baltimore City. This subtitle 4 of Title 20 of this Local Government Article on Hotel Taxes is not where the City gets its power to tax hotel rooms. The City's power comes from Section (40)(e) and (f) of Article II of the City Charter.

This bill would make this entire subtitle on Hotel Taxes applicable to all counties in the state. The BCA has concerns over how this would affect Baltimore City given that it would effectively repeal the express powers currently granted to Baltimore City in Article II of its Charter. While the legislation does state that this change to existing law would not preempt local laws, it also states that it would prevail over all other local laws which would cause a conflict within the Charter. Given the unclear and ambiguous language in SB 979, the BCA does not have a clear understanding of how the legislation would affect the City's taxing of hotels. This concern is unique for Baltimore City, in that unlike Charter counties, the City does not get its express powers from this article, so a court could rule this as not an effective way to change the City's express powers.

This bill removes the City's existing process to collect and use its own hotel tax. It also limits the amount of the hotel tax and requires the City to report to the Comptroller of Maryland when there will be an increase in the rate.

For the above stated reasons, the BCA respectfully request an **unfavorable** report on SB 979.