



March 12, 2025

Chairwoman Delegate Vanessa Atterbeary
Ways and Means Committee
Room 131
House Office Building
Annapolis, MD 21401

HB1554 – Sales and Use Tax - Taxable Business Services – Alterations

MaGIC Position: OPPOSED

The Maryland Green Industry Council wants to express their opposition to **House Bill 1554**. The Maryland Green Industries Council represents the Maryland Nursery, Landscape, Greenhouse Association, Maryland Arborist Association, The Frederick Area Landscape Contractors and Nurserymen and the Maryland Association of Green Industries. Council members provide landscape and lawn care services, tree care services, and pest control services. Members service clients in all Maryland counties and Baltimore City.

The passage of this proposed legislation would increase the cost of doing business not only for our members but also their business customers. This tax does not just target large corporations. Adding a 2.5% service tax to the myriad of business services outlined in the bill will disproportionately impact small businesses who tend to outsource these services including bookkeeping, human relations, property management, among others. While 2.5% may seem insignificant on any one service, the cumulative impact of 2.5% on every service will absolutely be significant.

The services provided to the customers of MaGIC members are not optional services. Lawn care required to comply with local property codes, removing a downed tree due to a storm, or pest control services such as bed bug treatment are not luxury or optional purchases.

MaGIC members are law abiding, tax paying, legitimate businesses who would comply with this law if passed. This bill will ultimately cause our customers to cancel services purchased from our legitimate companies and turn to unlicensed, uninsured, and non-tax paying “underground” individuals who will accept cash for services rendered. Maryland is also proximally located very close to neighboring states that do not impose taxes on some of the services named in the bill which means customers could also switch to out of state providers to avoid the additional cost.

Additionally, if this bill were to pass, the administrative burden on the businesses we represent, many of which are small businesses, would be immense. Having to collect, account for and remit services taxes to the state, all by July 1, is no small feat. This will place additional financial stress on small, family-owned businesses already struggling with crippling inflation.

MaGIC understands the need to raise revenue but doing so by increasing taxes on Marylanders and small businesses in these already tough economic times is not the answer.

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■ Maryland Association of Green Industries ■ Maryland Nursery, Landscape, and Greenhouse Association
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