

MARYLAND RETAILERS ALLIANCE

The Voice of Retailing in Maryland



HB167 Vehicle Excise Tax- Rate Increase House Ways and Means Committee January 28, 2025

Position: Unfavorable

The Maryland Retailers Alliance (MRA) strongly opposes the proposed increase on the vehicle excise tax, which would place yet another financial burden on Maryland businesses. While we fully support efforts to maintain and improve our state's infrastructure, raising the vehicle excise tax is not the right solution. Instead, this proposal will exacerbate the economic challenges faced by businesses, many of whom are already struggling with rising costs in other areas, have had numerous costly mandates placed upon them in the past couple of years, and are now faced with a bevy of other potential tax increases.

Impact on Businesses

Businesses are the backbone of Maryland's economy and those that own vehicles and use or own fleets will suffer from an increase in the vehicle excise tax. Many business owners rely on vehicles to operate their businesses—whether for deliveries, transporting goods, or commuting to job sites. An increase in the vehicle excise tax would add another layer of financial pressure on these businesses, potentially forcing them to cut back on employees, raise prices, or reduce services. These negative consequences could slow growth to Maryland's economy, particularly in rural areas or regions where small businesses are vital to the community.

We strongly urge the committee to reconsider this proposed increase in the vehicle excise tax and to explore alternative methods of funding transportation infrastructure that will not place an undue burden on Maryland's businesses. Thank you for your time and consideration on this important matter.

The Maryland Retailers Alliance (MRA) consists of thousands of retailers across the state. As the retail community's major trade association, MRA is a diverse and broad-based organization covering all segments of the retail industry.