



The Honorable Vanessa Atterbeary
Chairwoman, House Ways and Means Committee
130 Taylor House Office Building
Annapolis, Maryland 21401

The Honorable CT Wilson
Chairman, House Economic Matters Committee
230 Taylor House Office Building
Annapolis, Maryland 21401

Re: Opposition to House Bill 1469- Taxes-Sugary Beverage Distributor Tax (For Our Kids Act)

Dear Chairwoman Atterbeary, Chairman Wilson, and Members of Committees:

On behalf of the Manufacturers' Alliance of Maryland, we are requesting an unfavorable report on House Bill 1469 that imposes an additional 2-cents per ounce on beverages that contain added sugars. We believe this tax will negatively impact Maryland businesses and their employees.

To illustrate the impact of this tax on working families, please consider these examples:

- An 18-pack of 12-ounce sports drinks that currently costs \$14.49 would have a \$4.32 tax added to the cost. This is a 30% increase in price.
- Similarly, an 8-pack of 20-ounce sport drinks that currently cost \$9.79 would have a \$3.20 tax added to the price. This is a 33% increase in price.
- A 12-pack of soda that currently costs \$10.99 would have an additional tax of \$2.88 for a price increase of 26%.
- Finally, a 2-liter bottle of soda that costs \$3.49 would have \$1.36 tax added, for a whopping 39% increase in cost.

We all understand that prices of energy, housing, and groceries have risen dramatically in recent years, and now is not the time to increase the price of these beverages by 30% or more, especially on families who can least afford this increased burden. Beverage taxes are regressive. In places they have been tried, they hit lower-income families the hardest.

We are fortunate to be a home to manufacturers who employ thousands of Marylanders. The beverage industry alone employs nearly 4,000 people in Maryland. These jobs would be jeopardized by a beverage tax because beverage taxes cause sales to decrease for local, small

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businesses that are struggling to stay afloat in an uneven economy. The higher prices will also cause people to shop just over the state's borders for untaxed beverages. When Marylanders go to other states for savings on beverages, they are certain to shop for their other groceries as well. Beverage taxes have led to layoffs and employees losing work hours in cities that have tried them, like Philadelphia. The General Assembly should take steps to energize our economy and manufacturing base, not make things harder for Maryland businesses.

For these reasons, we urge an unfavorable report on House Bill 1469. If I can be of additional assistance, please do not hesitate to contact me.

Sincerely,

A handwritten signature in blue ink that reads "Bernie Marczyk". The signature is written in a cursive style with a large, sweeping initial "B".

Bernie Marczyk
Principal