



Senate Budget and Taxation Committee

March 4, 2026

Senate Bill 644 – *Sales and Use Tax – Certificates Indicating Multiple Points of Use – Alterations*

**POSITION: SUPPORT**

The Maryland Tech Council (MTC), with over 800 members, is the State's largest association of technology companies. Our vision is to propel Maryland to become the country's number one life sciences and technology innovation economy. MTC brings the State's life sciences and technology communities into a single, united organization that empowers members to achieve their goals through advocacy, networking, and education. On behalf of MTC, we submit this letter of **support** for Senate Bill 644.

Last year, the General Assembly enacted a 3% sales and use tax on data and information technology (IT) services, effective July 1, 2025. This tax has created a significant financial and operational burden on Maryland's tech community. Our ecosystem of smaller Maryland-based tech companies has felt these negative impacts most acutely, and we continue to believe that the tax has done significant real and reputational harm to Maryland's economic competitiveness.

On top of the challenges related to the new data and IT tax, a related challenge has been the application of Multiple Points of Use (MPU) certificates, a tool for taxpayers to correctly document when digital products and services are used across multiple tax jurisdictions. The MPU process is opaque and administratively burdensome, often requiring businesses to seek Comptroller approval before presenting certificates to vendors.

Senate Bill 644 makes common-sense improvements by clarifying what constitutes a fully completed MPU certificate, removing the need for prior approval, and streamlining compliance for businesses large and small. These changes reflect an understanding of how modern technology services are delivered and consumed, including in hybrid environments, across state lines, and often concurrently in multiple jurisdictions. It's particularly vital for small Maryland tech companies that lack large in-house tax departments; reducing unnecessary red tape directly helps these firms compete, innovate, and grow.

Small tech companies are an engine of innovation in our state, from cybersecurity and software design to cloud solutions and advanced analytics, and they deserve a tax landscape that is predictable, clear, and administratively modern. Senate Bill 644 advances that goal and offers relief as tech companies continue to manage the impact of the new tax on data and IT services. For these reasons, the MTC respectfully urges your favorable report on Senate Bill 644.

**For more information call:**

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