



Senate Bill 600

Position: Favorable

Committee: Budget and Tax

Date: February 25, 2026

Founded in 1968, the Maryland Chamber of Commerce (the Chamber) is the leading voice for business in Maryland. We are a statewide coalition of more than 7,000 members and federated partners working to develop and promote strong public policy that ensures sustained economic health and growth for Maryland businesses, employees, and families.

Senate Bill 600 (“SB 600”) provides important clarification and modernization of Maryland’s sales and use tax law by refining the definition of “retail sale” as it applies to certain technology services. This targeted adjustment reflects the realities of today’s digital economy and will help ensure that Maryland remains competitive in attracting and retaining innovative businesses.

Without clear statutory guidance, businesses face uncertainty regarding whether certain technology services are subject to sales and use tax. SB 600 addresses this ambiguity by clarifying which transactions fall outside the definition of “retail sale.” Clear rules promote compliance, reduce disputes, and create a more predictable business environment.

Maryland competes regionally and nationally for technology investment, startups, and high-skilled jobs. Uncertainty or overbroad application of sales tax to technology services:

- Increases operating costs for Maryland businesses;
- Discourages companies from locating or expanding in the State;
- Creates competitive disadvantages relative to neighboring jurisdictions; and
- Reduces capital available for hiring, research, and innovation

By providing clarity and aligning tax treatment with modern service models, SB 600 sends a strong signal that Maryland welcomes innovation. Additionally, SB 600 helps level the playing field by establishing clearer statutory standards, allowing businesses to focus on growth, job creation, and customer service rather than tax uncertainty.

Technology services are no longer confined to the tech sector alone. Healthcare providers, manufacturers, retailers, and financial institutions all rely on digital platforms and cloud-based services to operate efficiently. Clarifying the tax treatment of these services benefits the broader Maryland economy by lowering barriers to digital adoption and modernization across industries.

Maryland has long been a leader in cybersecurity, biotechnology, research, and advanced services. SB 600 is a strong step towards to help Maryland maintain that leadership. **For these reasons, the Maryland Chamber respectfully requests a favorable report on SB 600.**