



MARYLAND
CATHOLIC
CONFERENCE

April 1, 2026

House Bill 139
Sales and Use Tax - Tax-Free Day - Veterans' Day
Senate Budget and Taxation Committee

Position: Favorable

The Maryland Catholic Conference (MCC) is the public policy representative of the three (arch)dioceses serving Maryland, which together encompass over one million Marylanders. Statewide, their parishes, schools, hospitals, and numerous charities combine to form our state's second largest social service provider network, behind only our state government.

House Bill 139 establishes November 11 as a tax-free day each year during which an exemption from the sales and use tax is provided for sales to certain veterans if the taxable price of the item for sale is less than \$2,000; and requiring an individual, in order to qualify for the exemption, to provide to the vendor evidence of eligibility for the exemption.

Maryland is home to a substantial veteran community — with approximately 360,000 veterans residing in the State, along with tens of thousands of active-duty service members, reservists, National Guard members, and their families.¹ This represents a significant portion of Maryland's population and underscores the continued presence and contribution of service members and their households within the State. This legislation honors the sacrifices made by those who have served and their families by offering tangible recognition on Veterans Day. Providing tax exemption acknowledges their service and supports veterans' economic well-being with minimal fiscal impact. The \$2,000 cap on exempt purchases helps ensure that any revenue foregone by state and local governments remains limited.

Designating a tax-free day on November 11 could also incentivize increased consumer activity on that day. Sales tax holiday periods in other states and contexts have been promoted as a way to encourage shopping during specific time frames, potentially drawing customers into local stores and keeping consumer spending within the community.² While the broader economic effects of sales tax holidays vary, short-term boosts in purchasing behavior are

¹ https://veterans.maryland.gov/Pages/Landing-Zone-Maryland.aspx?utm_source

² https://www.ainvest.com/news/tax-holiday-impacts-retail-consumer-spending-short-term-booms-long-term-opportunities-retail-investors-2507/?utm_source

commonly observed around these events, particularly when combined with holiday-season spending trends.

More importantly, this measure affirms the dignity and sacrifice of veterans and their families by offering recognition beyond symbolic gestures. Veterans and their households often face unique financial pressures related to service, reintegration, health care, and employment. Providing a tax exemption on Veterans Day acknowledges those burdens and conveys gratitude in a practical, measurable way. For these reasons, House Bill 139 offers a meaningful and fiscally responsible mechanism to honor veterans, support consumer activity in local communities, and recognize the sacrifices of those who have served Maryland and our nation.

For these reasons, the Maryland Catholic Conference asks for a favorable report on **HB 139**.

Thank you for your consideration.