



NFIB-Maryland – 60 West St., Suite 101 – Annapolis, MD 21401 – www.NFIB.com/Maryland

TO: House Government, Labor & Elections Committee

FROM: NFIB – Maryland

DATE: February 26, 2026

RE: **OPPOSE HOUSE BILL 1229** – Consumer Protection and Labor and Employment – Food Service Facilities and Minimum Wage

Founded in 1943, NFIB is the voice of small business, advocating on behalf of America’s small and independent business owners, both in Washington, D.C., and in all 50 state capitals. With more than 250,000 members nationwide, and nearly 4,000 here in Maryland, we work to protect and promote the ability of our members to grow and operate their business.

On behalf of Maryland’s small businesses, NFIB opposes House Bill 1229 – legislation that raises the state’s minimum wage to \$25 per hour and then attaches it to the Consumer Price Index for future increases. The bill also phases out the state’s tip credit used primarily in the food service industry.

The cost implication of this bill is enormous, especially for Maryland small business owners. According to the NFIB Research Center’s “Economic Effects of the Maryland Minimum Wage Increase” (attached), HB1229 would cost Maryland up to 84,000 jobs and \$15 billion in economic output by 2035. The analysis found that the negative effects would outweigh any positive outcomes of HB1229 by a large margin, leading to lower levels of employment and economic output.

While state specific data is not available for Maryland, 32% of small business owners reported raising compensation in January, up 1 point from December, in the most recent [NFIB Jobs Report](#). A net 22% (seasonally adjusted) plan to raise compensation in the next three months.

Despite this good news, it’s important to point out that small business owners ranked “Minimum Wage/Living Wage” 25th on the “Measures of Small Business Problem Importance” in the most recent [Problems & Priorities](#) report by NFIB. It also ranked “Minimum Wage/Living Wage” 25th in that report. Legislation like HB1229 hits especially hard on small businesses as they struggle balancing what they can afford with government mandates.

House Bill 1229 must also be looked at through a lens of employer cost increases. Since 2018, Maryland small business owners have been saddled with the following: employer-paid sick leave (2018), minimum wage increases (2019 & 2024), personal income tax hikes (2025), paid leave insurance (effective 2027), and numerous fee and licensure increases. Taken together and we see why Maryland ranks as one of the [worst states to start a business](#), [highest for cost of doing business](#), and [least competitive for tax purposes](#).

For these reasons, **NFIB opposes HB1229** and requests an unfavorable report.