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Legislative District 17
Montgomery County

Ways and Means Committee

Subcommittees

Education

Revenues



The Maryland House of Delegates
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THE MARYLAND HOUSE OF DELEGATES
ANNAPOLIS, MARYLAND 21401

HB0151: Sales and Use Tax – Distribution of Cannabis Sales Tax Revenue – Maryland Veterans Trust Fund

Ways and Means Committee

Thursday, January 29th - 1:00 pm

Chair Wilkins, Vice Chair Feldmark, and Members of the Ways and Means Committee,

In 2024, the State of Maryland generated roughly \$73 million in revenue from the sales tax on adult-use cannabis.¹ With an additional 3% collected on each purchase since July 1, the state should expect to raise millions more per quarter from cannabis sales. HB0151 directs a portion of the annual revenues raised to the Maryland Veterans Trust, providing a consistent source of revenue to the Fund.

Veterans are among those most impacted by federal layoffs and spending cuts. Returned servicemembers accounted for roughly 1/3 of the federal civilian workforce and were disproportionately targeted by DOGE this past Spring. An additional tens of thousands of veterans became at risk of foreclosure after the elimination of the VA's mortgage-rescue program.²

The Maryland Veterans Trust was created in 2013 to provide veterans and their families with emergency financial assistance for expenses like rent, mortgage payments, utilities, and vehicle repairs. The fund will increasingly be called upon to provide relief for veterans and their family members still reeling from federal spending cuts.

This past Veterans Day, Governor Moore announced \$250,000 in aid for veteran support initiatives, including the Maryland Veterans Trust Fund. This support will help clear the backlog of applications and provide relief for more servicemembers and their families.³ Still, demand for relief is high and the General Assembly must ensure that funds continue to remain available.

New sources of revenue are rare and will be necessary tools in closing the looming budget deficit. However, Maryland veterans have already been disproportionately harmed in the name of

¹ Maryland Office of the Comptroller. *Comptroller's Office Issues Quarterly Report on Tax Revenue Collected from Adult Use Cannabis Sales in Maryland.*

² Rolling Stone. "DOGE Is Dead, But Its Impact on Veterans Will Last Decades."

³ Patrick Herron, "Governor Wes Moore Announces \$250K in Aid for Maryland Veterans and Military Families," *MoCo Show*

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austerity. HB0151 would direct 3% of the revenue from the sales tax on adult-use cannabis to the Maryland Veterans Trust Fund. With the newly increased tax rate, the General Fund will likely still see a net increase in revenue while providing a stable source of revenue for veterans.

I urge the Committee to give a favorable report on HB0151.