

To: The Maryland House Ways and Means Committee

To all Members

Re: HB500

My name is Craig Willis and I own and operate Black Lab Bullion in St. Michaels Maryland. Black Lab Bullion was to be a retirement business. I saved for years to be able to stock the shelves with product. As you might imagine the cost involved in order to stock a precious metals shop are considerable. Not just for purchase of the raw stock, but also Monthly expenses such as rent, insurance and utilities, are all at historic highs. To make our ability to manage these expenses even more challenging, it's worth noting that the average profit margin for gold and silver bullion is approx. 3-5% Nationally. Out of that margin we have to pay all expenses as referenced above. I opened my doors officially on July 1, 2026 on the very day the exemption on sales tax was removed in Maryland. Due to the fact that I had already absorbed all of the startup cost, I forged ahead, trying to find any way possible to make this business work. I'm happy to say there is a way to tread water, making no real profit, just buying from the public and selling to the refiners. However, that's only half the overall business plan, the other half would be selling the products purchased over the counter, that's where this business plan is near to impossible. While I've had a few hundred sellers come to my shop to sell precious metals, I've only had 5-6 willing to pay the 6% Maryland Tax. So, they travel to neighboring states to purchase without the sales tax. By Maryland levying a sales tax on the investment in precious metals, it's worth noting that no other investments are exposed to sales tax such as stocks and other securities. Also, Bullion dealers pay ordinary income tax on their profits, but Maryland is losing everything when it comes to my business as I'm only breaking even, so I'll be paying no estimated income tax until I can operate both sides of my business. While I could go on and on, the truth is many of us might not make it to next year's session if this sales tax can't be removed.

Craig S Willis

Patti K Willis

Owners, Black Lab Bullion LLC