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Ways and Means Committee

To: Delegate Jheanelle Wilkins, Chair; Delegate Jessica Feldmark, Vice Chair
From: Jason Ascher, Political Director – Mid-Atlantic Pipe Trades Association

OPPOSE HB 560 - Sales and Use Tax and Property Tax - Exemptions for Data Centers – Repeal

On behalf of the Mid-Atlantic Pipe Trades Association, I must respectfully oppose House Bill 560.

We represent thousands of skilled union pipefitters, plumbers, welders, HVAC technicians, and related trades who build and maintain the mechanical, thermal, and energy infrastructure required by modern data centers. Our members are actively supporting projects Maryland is courting today, including the Frederick data center campus and the envisioned Calvert Cliffs hyperscale data center campus, both of which are expected to be major drivers of high-wage union construction work and long-term infrastructure investment.

Many of these projects are already moving through complex regulatory processes involving local governments, State agencies, and the Public Service Commission, particularly where generation, transmission, and grid reliability are implicated. House Bill 560 would repeal existing tax incentives midstream, after investment and siting decisions have been made under current law. From a labor and construction perspective, this level of uncertainty is anti-growth and risks discouraging projects already under active review.

We want to be clear: the Pipe Trades understand the need for responsible regulation of the data center sector, including appropriate revenue considerations. However, an abrupt repeal of existing incentives—without a transition or coordination with ongoing legislative and PSC proceedings—undermines investment certainty and Maryland’s competitiveness. Large-scale data centers support thousands of skilled union jobs and are closely tied to the State’s broader challenges around energy infrastructure and grid modernization. Discouraging investment through sudden tax policy changes does not resolve those challenges; it shifts projects and jobs elsewhere.

For these reasons, the Mid-Atlantic Pipe Trades respectfully request an UNFAVORABLE REPORT on House Bill 560.

Sincerely,

Jason Ascher
Political Director
Mid-Atlantic Pipe Trades Association

Plumbers and Gasfitters Local 5 – Lanham, MD
Plumbers and Steamfitters Local 10 – Richmond, VA/Roanoke, VA
Plumbers and Pipefitters Local 110 – Norfolk, VA
Plumbers and Pipefitters Local 74 – Newark, DE

Plumbers and Steamfitters Local 486 – Baltimore, MD
Steamfitters Local 602 – Capitol Heights, MD
Road Sprinkler Fitters Local 669 – Columbia, MD