



February 1, 2021

The Honorable Shane E. Pendergrass  
Chairwoman House Health and Government Operations Committee  
241 House Office Building  
6 Bladen St., Annapolis, MD 21401

Re: **OPPOSE – HB 463 – Maryland Health Equity Resource Act**

Dear Chairman Pendergrass and Committee Members:

On behalf of the Maryland Beer Wholesalers Association (MBWA) we **oppose HB 463** which proposes an increase in the sales tax applicable to alcoholic beverages.

The MBWA consists of 22 Maryland businesses employing over 1,400 Maryland citizens that are majority owned and operated generational family businesses. While we support the intent of the legislation to reduce health disparities, improve health outcomes and access to care and reduce health care costs in health equity communities, we do not support raising the alcohol tax to fund such an initiative. We believe this is an initiative that should be addressed statewide and funded by general fund revenues as other programs like this have been in the past.

The suggested increase would have a negative impact on the volume of malt beverages sold in Maryland. Since 1989 sales of malt beverages in Maryland have remained flat. The proposed increase would lead to a further decline in sales and come at a time when the hospitality industry is facing its biggest challenges ever. The Maryland Restaurant Association of Maryland predicts up to 40 percent of restaurants may close permanently because of the pandemic.

The beer tax is a consumer-based tax and will hit working class Marylanders the hardest. In fact, more than half of all beer consumed in Maryland households having an annual income of less than \$55,000. The hidden taxes on beer hit lower-income families five times as hard as upper-income families making this suggested increase one of the most regressive taxes in the State.

Members of the MBWA are consistently experiencing large increases in fuel costs, health insurance costs, labor costs, workers compensation costs, utility costs and other general operating costs. As small business owners, MBWA members contribute greatly to community programs, churches, hospitals, and nonprofits to ensure that all their neighbors enjoy the benefits their communities have to offer.

The Honorable Shane E. Pendergrass  
February 1, 2021  
Page 2

We respectfully request that this committee and any other legislative body reject any tax increase on beer. The MBWA is available to meet personally and offer further information as to why this suggested increase would be very detrimental to the State, its businesses, and citizens.

Sincerely,

A handwritten signature in black ink, appearing to read 'N. Manis', with a long horizontal flourish extending to the right.

Nicholas G. Manis  
Executive Director

CC: Delegate Erek L. Barron  
John Favazza