



**HB1057 – Sales and Use Tax – Rate Reduction  
House Ways and Means Committee  
February 25, 2021  
MRA Position: SUPPORT**

**Background:** The Maryland Retailers Association (MRA) represents and works with thousands of businesses of all sizes in the State of Maryland to help promote the interests and progress of the retail industry through advocacy, communication, ethics, consumer protection and education. Retail is the largest private sector employer in the United States and the State of Maryland and we support lowering the sales and use tax and admissions and amusement tax for the following reasons.

**Written Comments:**

1. As the committee is aware, three of Maryland’s surrounding states have lower sales and use taxes. For Marylanders that live close to these borders the decision is easy – consumers will spend their money, especially on larger purchases, out of state and Maryland misses out on the sales tax revenue.
2. Lowering the tax rate will incentivize residents to spend more money in the state. This supports jobs and our economy.
3. Lastly, we support eliminating the admissions and amusement tax for small businesses and at a minimum lowering it as this legislation does. Many large venues have exempted themselves from this section of the code and for a small business with revenues under \$100,000, having to pay almost double the sales and use tax is not sound economic policy.

With these comments in mind we respectfully urge a favorable report on HB1057.

