



March 1, 2022
Chair Guzzone and Members of the
Senate Budget & Taxation Committee
Senate Miller Building, 3 West
11 Bladen Street
Annapolis, MD 21401

RE: SB622-SUPPORT

Dear Chair Guzzone and Members of the Senate Budget & Taxation Committee

The Maryland Tourism Coalition is in support of SB622, which will allow an individual to claim a credit against the State income tax for certain travel, hospitality, and entertainment expenses paid or incurred in the State by the individual during taxable years 2022 and 2023.

The Maryland Tourism Coalition is the statewide trade association that represents all sectors of the tourism industry, from restaurants, attractions, hotels, wineries, breweries, distilleries, campgrounds, partner associations, vendors who service our industry and more. This bill would not only benefit our members of MTC but all businesses of the Maryland Tourism industry and the Maryland's economy.

Many will say tourism is back. It is not back. Tourism supports jobs for Marylanders and generates state and local taxes. Prior to Covid Tourism was Maryland's 10 largest industry. Visitors spent \$18.1 Billion, there was 150,000 direct tourism jobs and the tax revenue to state and local was \$2.5 Billion. Each household would need to pay an additional \$1,170 in taxes to replace the tax revenue generated from tourism. For FY2021, the numbers are much different. Total visitor spending is \$11.6 Billion, 104,000 direct tourism jobs and only \$1.7 billion in tax revenue. The household savings is just \$775. Again, tourism is not back.

Maryland has so much to offer our residents that many do not even know of the many hidden gems across the state. This bill will encourage Marylanders to get out and see these places. 95% of all tourism businesses are small businesses. While there have been many businesses closing over the last 2 years, there were also new businesses opening. During the pandemic, MTC used social media to promote our members and help our followers create their "Maryland Bucket Lists". I have lived in Maryland most of my life and before my 40th birthday, I was inspired at our own state tourism conference to get out and see all the places I had never been and created my own "40 Awesome Adventures of Ruthie". Did you know a ghost fleet lies in the water of Mallows Bay in Charles County? Have you ever taken the trip from Crisfield over to Smith Island? I ask you, where are some places in Maryland that you have always wanted to visit and never have? MTC hosted an event at a new member location in St. Mary's County who opened Labor Day weekend of 2020 and she said "our own locals don't know we are here". She is on my bucket list to go and do an overnight. This tax credit will help keep the revenue in state and it will help create more jobs.

This tax credit also applies to live entertainment and sporting events. This is more than a concert at Merriweather Post Pavilion or a Raven's game. This is seeing a show at Toby's Dinner Theatre or Maryland Hall. Or taking in a game at the Delmarva Shorebirds or one of Maryland's 6 minor league baseball stadiums. The Baltimore Blast is

celebrating 40 years. I saw many of my friends, coming back into town and taking their kids to game the game the other night just to see players of their youth.

Lastly, we hope this income credit will also help encourage Maryland businesses to host their conferences and businesses meetings in state as the tax credit will benefit their attendees. This alone would increase hotel stays, dine-arounds even the gas to drive to the destinations. Maryland is home to many corporate headquarters such as Marriott International, Lockheed Martin and Social Security Administration. Again, let's not think big here and let's think of the convention centers that host smaller sized meetings such as Comfort Inn Conference Center Bowie, Rod-N-Reel Resort, Rocky Gap Casino and Hyatt Chesapeake. Most of these are located in small towns that could also bring back repeat customers to the hotel with their family or friends who then will visit the main streets, local restaurants, shops and attractions.

Without this tax credit, skiers will head to Vermont, beach goers will head south, wine drinkers will head to Virginia or California, meetings will head to various states and the dollars of our residents will go with them. Let's make those Maryland Memories and keep the money in state!

The Maryland Tourism Coalition, our board and our members ask you to please give SB622 a favorable report to help the tourism industry to achieve the pre-pandemic numbers and help boost Maryland's economy.

Thank you in advance and if you have any question, please feel free to contact me directly at 336-254-4648 or ruth@mdtourism.org

Sincerely,

Ruth Toomey

Ruth Toomey

Executive Director, Maryland Tourism Coalition