



MARYLAND TECH COUNCIL

TO: The Honorable Marc Korman, Chair
The Honorable C.T. Wilson, Chair
Members, House Environment and Transportation Committee
Members, House Economic Matters Committee

FROM: Andrew G. Vetter
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DATE: March 1, 2024

RE: **OPPOSE** – House Bill 1215 – *Transportation Financing – Retail Delivery Fee and Transportation Network Company Impact Fee (Transportation Funding Act of 2024)*

The Maryland Tech Council (MTC) submits this letter of **opposition** for *House Bill 1215: Transportation Financing – Retail Delivery Fee and Transportation Network Company Impact Fee (Transportation Funding Act of 2024)*. We are a community of nearly 800 Maryland member companies that span the full range of the technology sector. Our vision is to propel Maryland to become the number one innovation economy for life sciences and technology in the nation. We bring our members together and build Maryland's innovation economy through advocacy, networking, and education.

This bill creates a Retail Delivery Fee of 50 cents on each retail delivery transaction a vendor or marketplace facilitator makes in Maryland. The fee applies to vendors that make retail sales totaling \$500,000 per year, or a marketplace facilitator that facilitated retail sales of \$100,000 or more. The primary lens through which the MTC views policy and tax proposals is competitiveness. Many of our members feel as though Maryland is already a difficult and expensive place to do business and for employees to live, especially compared to surrounding states. If passed, this delivery fee will be perceived by the business community as another competitive disadvantage, as surrounding states do not impose such a fee. We are concerned that the fee is regressive in nature, thus making it more likely to be viewed unfavorably and contributing to the perception that Maryland is not economically competitive. We are also concerned that the fee would have a detrimental impact on small business, as the \$500,000 threshold is fairly low and would include many small businesses. In order to grow and build Maryland's innovation economy, it is key that policymakers intentionally work to position Maryland as a favorable place for businesses to locate and for employees to live. The Retail Delivery Fee hurts consumers and contributes to a perception that Maryland is not competitive. For these reasons, we request an unfavorable report.