



**MARYLAND STATE
LICENSED BEVERAGE ASSOCIATION**

150 E Main Street, Suite 104, Westminster, MD 21157

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

FROM: J. Steven Wise
Pamela Metz Kasemeyer
Danna L. Kauffman
Andrew G. Vetter

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 State Licensed Beverage Association (MSLBA), which consists of approximately 800 Maryland businesses holding alcoholic beverage licenses (restaurants, bars, taverns, and package stores), **opposes** House Bill 1215.

House Bill 1215 would impose a tax on a vendor that makes retail sales of \$500,000 or more and delivers tangible personal property to a person in the State as part of a sale. Applying the definitions of “tangible personal property” used in the bill as well as the context of the legislation, alcoholic beverages fall within its scope. Further, licensed alcoholic beverage retailers are permitted to make deliveries in the State upon receiving special permission from their local liquor board. Accordingly, alcoholic beverage deliveries by licensed retailers fall within the scope of this bill.

Alcoholic beverages are already taxed in two ways by the State. First, an excise tax is imposed at the wholesale level. Second, a 9% sales tax is applied to alcoholic beverages, which is already higher than the standard 6% sales tax, after the excise tax is applied. Legislation is pending to raise the sales tax even further to 10% (see House Bill 1072). Given that two separate taxes specific to alcohol are already applied to its retail sale, MSLBA does not believe that further taxes on alcoholic beverages are appropriate.

For these reasons, MSLBA urges the Committee to give this legislation an unfavorable report.

For more information call:

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