



House Bill 1079

Admissions and Amusement Tax - Exemption - Activities That Promote Health and Physical Well-Being

MACo Position: **OPPOSE**

To: Ways and Means Committee

Date: February 23, 2021

From: Kevin Kinnally

The Maryland Association of Counties (MACo) **OPPOSES** HB 1079. This bill prohibits local governments from imposing the admissions and amusement tax on the gross receipts of a wide swath of businesses.

MACo is concerned with the carryover county fiscal effects of this legislation and would prefer approaches that provide local autonomy to determine the best way to provide tax incentives, rather than those that mandate reductions in local revenue sources.

HB 1079 prohibits a county or municipality from imposing the admissions and amusement tax on the gross receipts of businesses offering activities that “promote health and physical well-being,” including tennis centers, fitness centers, gymnasiums, and sports facilities. This bill would have a significant impact on local revenues, which are sorely needed to fund public health, schools, public safety, infrastructure, and other essential services.

In general, MACo stands for local self-determination. Counties, led by their elected leaders who are directly accountable within the community, are in the best position to make decisions on local affairs – ranging from land use to budget priorities.

As the focus shifts to restoring our state and local economies in a manner that is safe, equitable, and prosperous for all, counties are eager and committed partners in promoting economic growth and creating opportunity, but resist state-mandated changes that preclude local input. For these reasons, MACo urges the Committee to issue an **UNFAVORABLE** report on HB 1079.