



To Lead, Advocate and Connect as the Voice of Business

HOUSE BILL 859: BUSINESS REGULATION - TRADER'S AND CHAIN STORES LICENSES AND PERSONAL PROPERTY TAX - FEES AND EXEMPTIONS

ECONOMIC MATTERS COMMITTEE

FEBRUARY 28, 2017

SUPPORT

The Montgomery County Chamber of Commerce ("MCCC"), as the voice of Montgomery County business, **supports House Bill 859** which repeals the provision of law that a specified person have a chain store license under specified circumstances and pay a specified fee for a specified chain store license; alters the amount of the fee for a trader's license; repeals the requirement that the amount of the fee for a trader's license be based on the value of an applicant's stock-in-trade; exempts a visually handicapped applicant who meets specified standards or Blind Industries and Services of Maryland from a specified trader's license fee.

There are many elements of this proposal that are beneficial to commercial entities. The 21-level tiered system is cumbersome. A flat fee for a license is more certain and predictable. For those businesses that have a low dollar amount of inventory whose previous fee was as low as \$15 per year, they will have to pay a higher flat fee. However, the proposal also recommends eliminating the separate filing fee which is currently about \$300. One flat fee that does not have to be calculated based on inventory simplifies the process.

Inventory can be inconsistent year-to-year. It is therefore not a predictable source of revenue. It also requires a 'tax on time' for businesses that must calculate it in order to pay taxes. Therefore, another helpful provision of the proposal is that a municipality would no longer be able to tax personal property.

For these reasons, we request a **favorable report** on House Bill 859.

The Montgomery County Chamber of Commerce (MCCC) accelerates the success of our members by advocating for increased business opportunities, strategic investment in infrastructure and balanced tax reform to advance Metro Maryland as a regional, national and global location for business success. Established in 1959, MCCC is an independent non-profit membership organization and is proud to be a Montgomery County Green Certified Business.

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