



*To Lead, Advocate and Connect as the Voice of Business*

**House Bill 426: 21st Century Transportation Funding Act**

Ways and Means

February 19, 2019

**OPPOSE**

House Bill 426 imposes the State sales and use tax on specified digital products and digital codes. The bill requires all sales and use tax revenue received from the sale of digital products and codes to be distributed to the Transportation Trust Fund (TTF). The bill alters the calculation of a specified sales and use tax equivalent rate for motor fuel.

The Montgomery County Chamber of Commerce appreciates the sponsors intent in seeking additional funding for the Transportation Trust Fund. However, MCCC is concerned about a new focus on taxing digital products and digital codes. Further, Maryland's Sales and Use tax rates are equal to, or higher than, surrounding jurisdictions. Additional taxation would further challenge Maryland's economic competitiveness.

For these reasons, **we request House Bill 426 be given an unfavorable report.**

*The Montgomery County Chamber of Commerce (MCCC) accelerates the success of our nearly 500 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.*