



Date: February 10, 2025

Economic Matters Committee
Delegate C. T. Wilson
Room 231
House Office Building
Annapolis, Maryland 21401

Re: HB 1400 – No Tax on Tips Act - Oppose

Dear Delegate Wilson:

HB1400 will prohibit service fees being imposed by food service businesses unless the fee is prominently posted; explains what it is, what it is for, and whether it will be added to employees' wages. This notice must be seen before a customer places an order.

This appears to be an attempt to prevent food service establishments from charging a service fee to make up for the additional wages they must pay as the tip credit disappears, as this bill requires.

In the end, the food service business will be faced with increased costs and still have to report and distribute tips if received, despite any policy to the contrary.

Restaurants already operate on a very slim profit margin – often less than 5%. Additional financial burdens may well result in more business closures in Maryland. The news contains frequent stories of restaurants – both chain and private – closing. A bill such as this will only add to that number.

The Carroll County Chamber has already pointed out the serious flaws in removing tip-credits. Details can be found at [The Employment Policies Institute](#).

The Carroll County Chamber of Commerce, a business advocacy organization of nearly 700 members, opposes this bill. We therefore request that you give this bill an unfavorable report.

Sincerely,

A handwritten signature in black ink that reads "Mike McMullin".

Mike McMullin
President
Carroll County Chamber of Commerce

CC: Delegate Chris Tomlinson
Senator Justin Ready

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