

28 January 2007

The Honorable Michael Busch
Speaker, Maryland House of Delegates
State House, H-101
Annapolis, MD 21401 - 1991

Dear Speaker Bush

We are contacting you on behalf of the over 9,000 members of the Institute of Electrical and Electronics Engineers (IEEE) living in Maryland to express our opposition to the recently passed Computer Services Sales Tax. We strongly urge you to repeal this tax immediately, before it does serious damage to Maryland's economy.

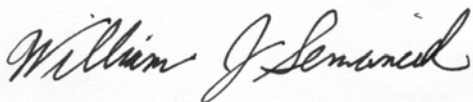
IEEE represents computer programmers, hardware engineers, circuit designers and other high-tech professionals, many of whom will be directly impacted by this tax. As Chairs of Maryland's two IEEE sections, we are very concerned with your decision to add a 6% tax to most computer services, especially since there were no public hearings or other forums at which we could have raised objections.

Had you held hearings, we would have pointed out that this tax is targeted at an industry that is uniquely mobile. Computer service providers do not need to be anywhere near their customers. Maryland businesses that need custom programming can just as easily hire a firm in Virginia, Pennsylvania or even India as they can a firm in Maryland. Our members are already under intense pressure from overseas competitors who can provide the same services from the other side of the planet, in part by paying a fraction of American wages. The Maryland legislature has now given computer service providers in neighboring states a similar, if smaller, competitive advantage.

The Computer Service Tax seems especially ill-conceived when the state of Maryland is at the same time trying to attract IT companies through its Department of Business and Economic Development, Maryland Venture Fund and Maryland Technology Development Council. Your new tax directly undermines the progress made by these agencies.

IT professionals and IT companies in Maryland have worked hard to make our state one of the most competitive and innovative in the country. Until now, the Maryland government had partnered with us in this endeavor. We urge you to rejoin our successful partnership by repealing the Computer Services tax before it goes into affect on July 1.

Sincerely,



Dr. William Semancik
IEEE Baltimore Section Chair



Gerald Christman
IEEE Washington Area Section Chair

(Similar letter sent to all Maryland Legislators)