HB 529

Department of Legislative Services

Maryland General Assembly
2001 Session

FISCAL NOTE

House Bill 529 (Delegate Love)
(Chairman, Anne Arundel County Delegation)

Ways and Means

Anne Arundel County - Sales and Use Tax - Rental Car Tax

This bill authorizes Anne Arundel County to impose, by ordinance, and collect a sales or use tax on rental cars at Baltimore-Washington International Airport (BWI).

The bill takes effect July 1, 2001.

Fiscal Summary

State Effect: None. The bill would not directly affect State governmental operations or finances.

Local Effect: Sales tax collections by Anne Arundel County could increase depending on the level of sales tax rate imposed.

Small Business Effect: Minimal.

Analysis

Current Law: There is currently no local sales tax on car rentals at BWI.

Background: The State imposes an 11.5% sales tax on short-term rentals of any passenger car or multipurpose vehicle, as well as any add-ons. An 8% sales tax is applied to the rental of trucks and any truck add-ons.

Local Revenues: Anne Arundel County advises that it would enact a sales tax on car rentals at BWI -- with the tax calculated as a fixed number of dollars per rental day -- sufficient to collect $1 to $4 million per year in revenue. If the tax were imposed as a percentage of the total transaction dollars, it is estimated that each 1% of sales tax would raise approximately $450,000.

Additional Information

Prior Introductions: None.

Cross File: SB 504 (Senator Astle) - Budget and Taxation.

Information Source(s): Comptroller's Office, Anne Arundel County, Department of Legislative Services

Fiscal Note History: First Reader – February 20, 2001
jm/jr

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