

Department of Fiscal Services  
Maryland General Assembly

FISCAL NOTE

Senate Bill 700 (Senator Pica, et al.)  
Rules

Maryland Stadium Authority - Admissions and Amusement Tax Rate

This bill decreases the maximum admissions and amusement tax rate that can be set by the Maryland Stadium Authority (MSA) each year.

The bill is effective July 1, 1996.

Fiscal Summary

**State Effect:** Revenues due to the admissions and amusement tax imposed on stadium events would decrease by \$425,000 in FY 1997. Out-year revenue losses increase as the percentage of tax decreases under the bill, and the beginning of football stadium events in FY 1999.

(in dollars)	FY 1997	FY 1998	FY 1999	FY 2000	FY 2001
SF Revenues	(\$425,000)	(\$850,000)	(\$2,205,400)	(\$2,953,500)	(\$3,691,900)
SF Expenditures	0	0	0	0	0
Net Effect	(\$425,000)	(\$850,000)	(\$2,205,400)	(\$2,953,500)	(\$3,691,900)

*Note: ( ) - decrease; GF - general funds; FF - federal funds; SF - special funds  
Assumes consistent attendance at baseball and football games*

**Local Effect:** Increase in local revenues due to receipts from the admissions and amusement tax commensurate with State special fund decrease. In FY 1997, revenues would increase by \$425,000; by FY 2001, revenues would increase by \$3.7 million.

Fiscal Analysis

**State Effect:** Currently, MSA collects an 8% admissions and amusement tax on all Orioles stadium events; this rate would also apply to the Camden Yards football stadium events. MSA only collects taxes on sporting events. Under the bill, this rate would decrease by 1% per year to zero in fiscal 2004. **Exhibit 1** details the projected admissions tax receipts, the

tax receipts that would be realized under the bill, and the decrease in revenue to the State. In fiscal 1997 and 1998, only baseball stadium tax receipts are projected; in fiscal 1999-2004 both baseball and football stadium revenues are projected.

---

Exhibit 1  
**Admission and Amusement Tax Receipts**

Fiscal Year	8% Tax projection Baseball & Football	Tax Rate under SB 700	Total Tax Receipts under SB 700	Revenue Decrease
1997	\$3,400,000	7%	\$2,975,000	\$425,000
1998	\$3,400,000	6%	\$2,550,000	\$850,000
1999	\$5,881,000	5%	\$3,675,600	\$2,205,400
2000	\$5,907,000	4%	\$2,953,500	\$2,953,500
2001	\$5,907,000	3%	\$2,215,100	\$3,691,900
2002	\$5,907,000	2%	\$1,476,800	\$4,430,200
2003	\$5,907,000	1%	\$738,375	\$5,168,625
2004	\$5,907,000	0%	\$0	\$5,907,000

Source: Maryland Stadium Authority

---

Out-year numbers may fluctuate somewhat depending upon attendance at football games and any interruption in baseball or football season schedules.

**Local Effect:** Baltimore City's admissions and amusement tax rate is 10%. Under current law, if receipts subject to admissions tax imposed by MSA are also subject to local admissions tax, the local governments cannot set a rate for those receipts wherein combined MSA and local rates would exceed 10% of the gross receipts. Currently, MSA collects an 8% admissions tax for Camden Yards events; therefore, the Baltimore City rate on these receipts can only equal 2%. Under the bill, as the State rate decreases, the Baltimore City rate could increase. Therefore, Baltimore City would gain the tax revenue lost to the State. By fiscal 2004, Baltimore City would receive the full 10% of the admissions and amusement tax. In fiscal 1997, tax revenue increases are projected at \$425,000. Out-year revenue gains increase to \$5.9 million by fiscal 2004.

---

**Information Source(s):** Maryland Stadium Authority, Department of Fiscal Services

**Fiscal Note History:** First Reader - April 8, 1996

ncs

---

Analysis by: Kim E. Wells

Reviewed by: John Rixey

Direct Inquiries to:

John Rixey, Coordinating Analyst

(410) 841-3710

(301) 858-3710