

Department of Fiscal Services
Maryland General Assembly

FISCAL NOTE
Revised

House Bill 123 (Delegate Hammen)
Ways and Means

Sales and Use Tax - Detective, Guard, and Armored Car Security Services

This bill exempts detective, guard, and armored car services from the sales and use tax.

The bill is effective July 1, 1996.

Fiscal Summary

State Effect: General fund revenues would decrease by \$5.1 million in FY 1997. The decrease would grow by 5% annually. Expenditures would not be affected.

(in thousands)	FY 1997	FY 1998	FY 1999	FY 2000	FY 2001
GF Revenues	(\$5,138)	(\$5,395)	(\$5,664)	(\$5,948)	(\$6,245)
GF Expenditures	\$0	\$0	\$0	\$0	\$0
Net Effect	(\$5,138)	(\$5,395)	(\$5,664)	(\$5,948)	(\$6,245)

Note: () - decrease; GF - general funds; FF - federal funds; SF - special funds

Local Effect: None.

Fiscal Analysis

State Revenues: Security services generated \$7.2 million of sales and use tax in fiscal 1995. Approximately \$4.7 million or 65% was from detective, guard, or armored car services. This amount is expected to grow by 5% annually, yielding \$5.1 million of foregone revenues in fiscal 1997.

Information Source(s): Office of the Comptroller (Compliance Division), Department of Fiscal Services

Fiscal Note History: First Reader - January 26, 1996
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Analysis by: Lisa Kleinschmidt
Reviewed by: John Rixey

Direct Inquiries to:
John Rixey, Coordinating Analyst
(410) 841-3710
(301) 858-3710