

Department of Fiscal Services
Maryland General Assembly

FISCAL NOTE

Senate Bill 25 (Senator Ferguson)
Budget and Taxation

**Sales and Use Tax - Soft Drinks and Carbonated Beverages -
Veterans and Public Safety Organizations**

This bill exempts sales of soft drinks and carbonated beverages in open containers from the sales and use tax if sold by veterans' organizations, volunteer fire companies, or volunteer ambulance companies under certain conditions.

This bill is effective July 1, 1996.

Fiscal Summary

State Effect: Decrease in general fund revenues of \$63,000 in FY 1997. Future year estimates reflect a 5% annual growth rate. Expenditures are not affected.

(in dollars)	FY 1997	FY 1998	FY 1999	FY 2000	FY 2001
GF Revenues	(\$66,100)	(\$69,400)	(\$72,900)	(\$76,600)	(\$80,400)
GF Expenditures	0	0	0	0	0
Net Effect	(\$66,100)	(\$69,400)	(\$72,900)	(\$76,600)	(\$80,400)

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

Local Effect: None.

Fiscal Analysis

State Revenues: Soft drink sales by eligible organizations are estimated to total \$1.32 million in fiscal 1997. Revenue from the 5% sales tax which would not be realized amounts to \$66,100. It is assumed that this bill does not intend to exempt beer sold by qualified organizations from the sales tax.

Out-year revenue losses are assumed to grow by 5% per year.

State Expenditures: No effect.

Information Source(s): American Legion, Veterans of Foreign Wars, Office of the Comptroller (Compliance Division), Department of Fiscal Services

Fiscal Note History: First Reader - January 17, 1996

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