

Department of Fiscal Services
Maryland General Assembly

FISCAL NOTE

House Bill 457 (Delegate Edwards)
Ways and Means

Sales and Use Tax - Exemption for Sales by Public Primary and Secondary Schools

This bill exempts from the sales and use tax sales by public primary or secondary schools.

The bill is effective July 1, 1996.

Fiscal Summary

State Effect: Decrease in general fund revenues of \$1.1 million in FY 1997. No effect on expenditures. Future years reflect a growth rate of 5%.

(in millions)	FY 1997	FY 1998	FY 1999	FY 2000	FY 2001
GF Revenues	(\$1.1)	(\$1.2)	(\$1.2)	(\$1.3)	(\$1.4)
GF Expenditures	0	0	0	0	0
Net Effect	(\$1.1)	(\$1.2)	(\$1.2)	(\$1.3)	(\$1.4)

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

Local Effect: None.

Fiscal Analysis

State Revenues: General fund revenues could decrease by approximately \$1.1 million in fiscal 1997. This estimate is based on the following facts and assumptions:

- There are 198 public high schools, 276 middle and combined schools, and 802 elementary schools in Maryland.
- The average public high school remitted \$2,052 in sales tax in fiscal 1994, while elementary and middle schools remitted an average of \$194 and \$789,

- respectively.
- Public school fundraising sales for which vendors remit the sales tax equal approximately 25% of non-fundraising sales.
 - The annual growth rate of sales by public schools is approximately 5%.
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Information Source(s): Office of the Comptroller (Compliance Division), Maryland Association of Boards of Education

Fiscal Note History: First Reader - February 6, 1996

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