

Department of Fiscal Services
Maryland General Assembly

FISCAL NOTE
Revised

Senate Bill 179 (Senator Amoss)
Budget and Taxation

Referred to Ways and Means

Sales and Use Tax - Bakery Equipment

This enrolled bill exempts pieces of bakery equipment valued at \$2,000 or more from the sales and use tax if the equipment is used by a retail food vendor to manufacture or process bakery goods for resale.

The bill is effective July 1, 1996.

Fiscal Summary

State Effect: Indeterminate general fund revenue decrease, as described below.

Local Effect: None.

Fiscal Analysis

State Revenues: Many large food vendors have subsidiaries which are currently exempt from sales and use tax under the manufacturing machinery exemption. On the other hand, much of the bakery equipment for small bakeries is priced below \$2,000, making it ineligible for the proposed exemption. The Office of the Comptroller estimates that revenue loss associated with this bill would be \$25,000 or less. However, there is no data available to confirm this estimate.

Information Source(s): Office of the Comptroller (Compliance Division)

Fiscal Note History: First Reader - January 30, 1996

ncs Revised - Enrolled Bill - April 24, 1996

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