

Department of Fiscal Services
 Maryland General Assembly

FISCAL NOTE
Revised

House Bill 1010 (Delegate Hixson, *et al.*)

Ways and Means

Referred to Budget and Taxation

Sales and Use Tax - Exemption for Sales of Magazine Subscriptions by Schools

This enrolled bill exempts from the sales and use tax any sale of magazine subscriptions in a fund raising campaign by an elementary or secondary school, nonprofit parent-teacher organization, or other nonprofit organization within an elementary or secondary school in the State if the net proceeds are used solely for the educational benefit of the school or its students. Magazine subscription sales resulting from an agreement or contract with an organization to participate in a fund raising campaign in which students act as agents or salespersons for the organization would also be exempt from the sales tax.

The bill is effective July 1, 1997.

Fiscal Summary

State Effect: General fund revenues could decrease by \$157,500 in FY 1998; out-year estimates reflect 5% growth. Expenditures would not be affected.

(in dollars)	FY 1998	FY 1999	FY 2000	FY 2001	FY 2002
GF Revenues	(\$157,500)	(\$165,400)	(\$173,600)	(\$182,300)	(\$191,400)
GF Expenditures	0	0	0	0	0
Net Effect	(\$157,500)	(\$165,400)	(\$173,600)	(\$182,300)	(\$191,400)

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

Local Effect: None.

Small Business Effect: None. The bill would not directly affect small businesses that provide magazine subscriptions for fund raising campaigns in schools.

Fiscal Analysis

State Revenues: It is estimated that in fiscal 1997 sales of magazine subscriptions for fund raising campaigns by elementary and secondary schools and certain nonprofit organizations associated with these schools will generate between \$2.6 and \$3 million. Assuming \$3 million in sales in fiscal 1997 and a 5% annual growth rate, general fund revenues could decline by \$157,500 in fiscal 1998. Growth is assumed to be 5% annually in the out-years.

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

Fiscal Note History: First Reader - February 14, 1997
ncs Revised - House Third Reader - March 24, 1997
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