

Department of Fiscal Services
Maryland General Assembly

FISCAL NOTE
Revised

Senate Bill 754 (Senator Baker)
Budget and Taxation

Referred to Environmental Matters

Sales and Use Tax, Vessel Excise Tax, and Property Tax - Marine Spill Response Organizations

This amended bill exempts from the sales and use tax any sale to a nonprofit organization that is engaged primarily in providing a program to contain, clean up, and otherwise control oil spills or other types of spills that occur in the United States coastal and tidal waters. The bill also exempts from the personal property tax and the vessel excise tax any property owned by these nonprofit organizations.

The bill is effective July 1, 1997.

Fiscal Summary

State Effect: None, as discussed below.

Local Effect: Potential indeterminate effect on revenues as discussed below. Expenditures would not be affected.

Small Business Effect: Meaningful impact on small businesses as discussed below.

Fiscal Analysis

State Revenues: The bill would apply to three nonprofit organizations that currently are exempt from the sales and use tax. In addition, nonprofit organizations are generally exempt from the vessel excise tax. Thus, State finances would not be affected.

Local Revenues: All counties except Frederick, Kent, Queen Anne's, and Talbot levy a personal property tax on business property. Depending on the location of the three nonprofit organizations, local government revenues could decrease by an indeterminate amount if the

jurisdiction assesses a personal property tax.

Small Business Effect: To the extent that these organizations are located in localities that assess a personal property tax, exemption from the personal property tax could significantly reduce the expenditures of these nonprofit organizations. (These nonprofit organizations are already exempt from the sales and use tax and the vessel excise tax.)

Information Source(s): Office of the Comptroller (Compliance Division), Department of Assessments and Taxation, Department of Natural Resources, Department of Fiscal Services

Fiscal Note History: First Reader - February 28, 1997

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Revised - Senate Third Reader - March 24, 1997

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