

Department of Fiscal Services  
Maryland General Assembly

FISCAL NOTE

House Bill 158 (Chairman, Ways and Means Committee)  
(Departmental - Comptroller)

Ways and Means

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Sales and Use Tax - Exemption - Prisoner of War Flags

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This departmental bill exempts sales of prisoner of war (POW) flags from the sales and use tax.

This bill is effective July 1, 1997.

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Fiscal Summary

**State Effect:** Potential minimal decrease in general fund revenues as discussed below. Expenditures would not be affected.

**Local Effect:** None.

**Small Business Effect:** The Office of the Comptroller has determined that this bill has minimal or no impact on small businesses (attached). Fiscal Services concurs with this assessment.

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Fiscal Analysis

**State Revenues:** Total sales of POW flags in Maryland are unknown. There are 536,000 military veterans living in Maryland and an estimated 300 American Legion, Veterans of Foreign Wars, and Fleet Reserve posts in Maryland. The average price of a POW flag is approximately \$60. For illustrative purposes, if 0.1% of military veterans and 10% of these posts purchase one POW flag yearly, the resulting loss in sales and use tax revenue would be approximately \$1,700.

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

Fiscal Services

**Fiscal Note History:** First Reader - January 24, 1997

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