

Department of Legislative Services
Maryland General Assembly

FISCAL NOTE

House Bill 880 (Delegate Hixson)

Ways and Means

Admissions and Amusement Tax - Enterprise Zones

This bill authorizes a county or municipal corporation to exempt from the admissions and amusement tax gross receipts derived from any source within an area designated as an enterprise zone.

This bill is effective July 1, 1998.

Fiscal Summary

State Effect: Potential decrease in revenues. Expenditures would not be affected.

Local Effect: Potential decrease in revenues. Expenditures would not be affected.

Small Business Effect: Potential meaningful.

Fiscal Analysis

State Effect: Some types of activities which are subject to the admissions and amusement (A&A) tax are also subject to the State sales and use tax. For purposes of the State sales and use tax, an A&A charge can either be stated separately or can be included in the taxable price. If the charge is included in the taxable price, State revenues from the sales and use tax would be less than if the charge is separately stated. Thus, State general fund revenues could decline to the extent that the gross receipts exempted from the A&A tax by a local government are also subject to the sales and use tax and the A&A tax would have been charged separately.

Local Revenues: Any decrease in revenues for a local government in an enterprise zone

depends on the extent to which a local government exempts gross receipts from the A&A tax. There are currently 32 enterprise zones in the State, as shown in **Exhibit 1**.

As a point of reference, it is noted that the City of Havre de Grace estimates revenues of about \$25,000 from the A&A tax in fiscal 1998, while Baltimore City collects about \$4.4 million annually from the A&A tax. (About 15% of Baltimore's land area is located within an enterprise zone.)

Small Business Effect: To the extent that exempting gross receipts of small businesses located in an enterprise zone from the admissions and amusement tax stimulates business, those small businesses would benefit.

Exhibit 1
Maryland Enterprise Zones as of January 1998

Western Maryland	Number of Acres
Central Garrett Industrial Park	65
Northern Garrett Industrial Park	43
Southern Garrett Industrial Park	192
Frostburg/Allegany County Enterprise Zone	119
Cumberland/Allegany County Enterprise Zone	10,000
Rocky Gap State Park/Allegany County Enterprise Zone	400
Town of Hancock Enterprise Zone	1,500
Washington County Interstate 81 Park	1,500
Washington County Airport	700
Hagerstown/Washington County Enterprise Zone	2,000
Central Maryland	
Silver Spring Enterprise Zone	370
Cabin Branch/Prince George's County Enterprise Zone	2,789
Capitol Heights/Prince George's County Enterprise Zone	70
Calvert County Industrial Park	226
North Point Enterprise Zone	2,854
Edgewood/Harford County Enterprise Zone	2,500
Aberdeen/Havre de Grace Enterprise Zone	6,085
Southwest Baltimore County Enterprise Zone	1,800
West Baltimore Enterprise Zone	1,854
Port Covington Enterprise Zone	598
East Baltimore Enterprise Zone	595
Waterview Industrial Center	77
Eastern Shore	
Cecil County Enterprise Zone	1,697
Cambridge/Dorchester County Enterprise Zone	700
Hurlock Industrial Park	97
Fruitland/Wicomico County Enterprise Zone	110
Salisbury/Wicomico County Enterprise Zone	2,975
Princess Anne/Somerset County Enterprise Zone	700
Crisfield Enterprise Zone	149
Pocomoke City Enterprise Zone	1,117
Snow Hill/Worchester County Enterprise Zone	325
Berlin/Worchester County Enterprise Zone	430

Source: Department of Business and Economic Development

Information Source(s): Comptroller of the Treasury (Bureau of Revenue Estimates); Department of Business and Economic Development; Allegany, Talbot, and Wicomico counties; Baltimore City; City of Havre de Grace

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