

**Department of Legislative Services**  
 Maryland General Assembly

**FISCAL NOTE**

House Bill 261 (Delegate Owings)

Ways and Means

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**Sales and Use Tax - Newspapers**

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This bill exempts from the sales and use tax the printing and sale of all newspapers, rather than just those distributed free of charge.

This bill is effective July 1, 1998.

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**Fiscal Summary**

**State Effect:** General fund revenues could decline by an estimated \$6.4 million beginning in FY 1999. Expenditures would not be affected.

(in millions)	FY 1999	FY 2000	FY 2001	FY 2002	FY 2003
GF Revenues	(\$6.4)	(\$6.4)	(\$6.4)	(\$6.4)	(\$6.4)
GF Expenditures	0.0	0.0	0.0	0.0	0.0
Net Effect	(\$6.4)	(\$6.4)	(\$6.4)	(\$6.4)	(\$6.4)

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

**Local Effect:** None.

**Small Business Effect:** Minimal.

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**Fiscal Analysis**

**State Revenues:** Based on an analysis of the revenue increase from applying the sales tax to newspaper sales in 1992, supported by an examination of sales tax returns of the largest newspapers in the State, it is estimated that general fund revenues would decline by \$6.4

million beginning in fiscal 1999. No change is expected in the out-years, since circulation is generally declining, but may be offset by price increases.

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**Information Source(s):** Office of the Comptroller (Bureau of Revenue Estimates),  
Department of Legislative Services

**Fiscal Note History:** First Reader - February 16, 1998  
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Analysis by: David F. Roose

Reviewed by: John Rixev

Direct Inquiries to:

John Rixev, Coordinating Analyst

(410) 841-3710

(301) 858-3710