

Department of Legislative Services
Maryland General Assembly

FISCAL NOTE**Revised**

House Bill 904 (Montgomery County Delegation)
Ways and Means

**Montgomery County - Admissions and Amusement Tax - Enterprise Zones
MC 825-98**

This bill prohibits Montgomery County from imposing an admissions and amusement tax on gross receipts received in an enterprise zone and derived from a charge for: (1) admission to a nightclub or room in a hotel, restaurant, hall, or other place where dancing privileges, music, or other entertainment is provided; or (2) merchandise, refreshment, or a service sold or served in connection with entertainment at a nightclub or room in a hotel, restaurant, hall, or other place where dancing privileges, music, or other entertainment is provided.

This bill is effective July 1, 1998.

Fiscal Summary

State Effect: None.

Local Effect: Potential minimal decrease in Montgomery County revenues beginning in FY 1999. Expenditures would not be affected.

Small Business Effect: Potential minimal impact on Montgomery County small businesses.

Fiscal Analysis

Local Revenues: Montgomery County assesses an admissions and amusement tax of 7%. Silver Spring is currently the only area in Montgomery County designated as an enterprise zone. The Silver Spring enterprise zone is in zip code 20910, within which an estimated \$40,125 in admissions and amusement tax revenues will be collected in fiscal 1999. County revenues would decline by some portion of that amount in fiscal 1999 and in future years. Tax revenues in future years could decline further if other areas of the county are designated as enterprise zones.

Information Source(s): Montgomery County, Department of Legislative Services

Fiscal Note History: First Reader - March 16, 1998

nncs Revised - Enrolled Bill - April 30, 1998

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