

Department of Legislative Services
Maryland General Assembly

FISCAL NOTE

House Bill 147 (Delegate Edwards)

Ways and Means

Sales and Use Tax - Taxable Price - Separately Stated Charge for Admissions and Amusement Tax

This bill provides that amounts paid for admissions and amusement tax are exempt from the sales tax if the admissions and amusement tax is a separately stated charge.

This bill is effective July 1, 1998.

Fiscal Summary

State Effect: General fund revenues could decline by an estimated \$77,300 in FY 1999, increasing by 4% annually. Expenditures would not be affected.

(in dollars)	FY 1999	FY 2000	FY 2001	FY 2002	FY 2003
GF Revenues	(\$77,300)	(\$80,400)	(\$83,600)	(\$86,900)	(\$90,400)
GF Expenditures	0	0	0	0	0
Net Effect	(\$77,300)	(\$80,400)	(\$83,600)	(\$86,900)	(\$90,400)

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

Local Effect: None.

Small Business Effect: Minimal.

Fiscal Analysis

State Revenues: General fund revenues could decline by an estimated \$77,300 in fiscal 1999 based on the following facts and assumptions:

- ° in fiscal 1997, over \$4.6 million of admissions and amusement tax was

collected from sales which were also subject to the sales tax;

- in about 30% of these sales, the admissions and amusement tax is a separately stated charge; and
- admissions and amusement tax revenues will grow 7% in fiscal 1998 and 4% annually thereafter.

About \$5.1 million of admissions and amusement tax will be collected on sales which are also subject to the sales tax in fiscal 1999. About \$1.5 million of these collections will be from separately stated charges. Exempting this amount, at the 5% sales tax rate, would result in an estimated revenue loss of \$77,300 in fiscal 1999, increasing by 4% annually.

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

Fiscal Note History: First Reader - February 10, 1998

Inc

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