

Department of Legislative Services
Maryland General Assembly

FISCAL NOTE

House Bill 157 (Delegate Workman)

Ways and Means

Sales and Use Tax - Electricity and Artificial and Natural Gas for Residential Use

This bill provides that the sales and use tax does not apply to sales of electricity and artificial or natural gas for use in residential property containing not more than four units.

This bill is effective July 1, 1998.

Fiscal Summary

State Effect: None. The sales tax is not currently being collected on these sales.

Local Effect: None.

Small Business Effect: None.

Fiscal Analysis

Background: There is an existing sales tax exemption for sales of electricity and gas for use in residential property, if the sales are made under a rate schedule on file with the Public Service Commission (PSC). Gas can currently be purchased through brokers, some of whom may not have rate schedules on file with the PSC, but the Comptroller has advised utilities not to collect the tax on such sales. With the imminent deregulation of the electric industry, there could be a large volume of residential sales at rates which are not filed with the PSC. This bill specifies that residential sales of electricity and gas are exempt from the sales tax.

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

Fiscal Note History:
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First Reader - March 1, 1998

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