

Department of Legislative Services
Maryland General Assembly

FISCAL NOTE
Revised

Senate Bill 478 (Senator Stoltzfus)

Budget and Taxation

Sales and Use Tax - Nonprofit Organizations Located in Adjacent States

This bill exempts from the sales and use tax sales made to nonprofit organizations which are located in adjacent jurisdictions if those jurisdictions do not impose a sales tax on sales to a nonprofit made to carry on the nonprofit's work, or if those jurisdictions allow a reciprocal exemption.

This bill is effective July 1, 1998.

Fiscal Summary

State Effect: Indeterminate minimal general fund revenue decrease. Expenditures would not be affected.

Local Effect: None.

Small Business Effect: Minimal.

Fiscal Analysis

State Revenues: Under current law, nonprofit organizations in adjacent states must provide their services in the State on a routine and regular basis to receive the sales tax exemption. Relaxing this exemption would make more nonprofits in adjacent states eligible for a sales tax exemption. It is likely, however, that few nonprofits would make taxable purchases in Maryland without providing services in the State. The revenue loss, if any, is expected to be minimal.

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

Fiscal Note History: First Reader - March 2, 1998
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