

Department of Legislative Services
Maryland General Assembly

FISCAL NOTE

House Bill 419 (Somerset County Delegation)

Ways and Means

Somerset County - Hotel Rental Tax - Maximum Rate

This bill increases the maximum hotel rental tax rate that may be set in Somerset County from 3% to 5%.

This bill is effective July 1, 1998.

Fiscal Summary

State Effect: None.

Local Effect: Somerset County revenues could increase by \$9,000 to \$18,000 annually if a resolution is adopted.

Small Business Effect: None.

Fiscal Analysis

Local Revenues: Assuming Somerset County passes a resolution raising the hotel rental tax rate, county revenues would increase \$9,000 annually for each percentage point increase. It is further assumed that hotel occupancy and nightly rates would stay constant. Somerset County received approximately \$27,000 in hotel rental tax revenue at the 3% rate in fiscal 1997.

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

Fiscal Note History: First Reader - February 10, 1998

tlw

Analysis by: Thomas Hickey

Reviewed by: David F. Roose

Direct Inquiries to:

John Rixey, Coordinating Analyst

(410) 841-3710

(301) 858-3710