

Department of Legislative Services  
 Maryland General Assembly  
 1999 Session

FISCAL NOTE

Senate Bill 550 (Senator Colburn)

Budget and Taxation

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Sales and Use Tax - Newspapers

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This bill exempts from the sales and use tax the printing and sale of all newspapers, rather than just those distributed free of charge.

This bill is effective July 1, 1999.

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Fiscal Summary

**State Effect:** General fund revenues could decline by an estimated \$6.4 million beginning in FY 2000. Expenditures would not be affected.

(in millions)	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004
GF Revenues	(\$6.4)	(\$6.4)	(\$6.4)	(\$6.4)	(\$6.4)
GF Expenditures	0.0	0.0	0.0	0.0	0.0
Net Effect	(\$6.4)	(\$6.4)	(\$6.4)	(\$6.4)	(\$6.4)

*Note: ( ) = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate effect*

**Local Effect:** None.

**Small Business Effect:** Minimal.

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Fiscal Analysis

**State Revenues:** Based on an analysis of the revenue increase from applying the sales tax to newspaper sales in 1992 and the impact of exempting newspapers distributed at no charge and published at least once a month (Chapter 151 of 1995), it is estimated that general fund revenues would decline by \$6.4 million beginning in fiscal 2000. No change is expected in

the out-years, since circulation is generally declining, but may be offset by price increases.

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

**Fiscal Note History:** First Reader - February 24, 1999

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