

Department of Legislative Services
 Maryland General Assembly
 1999 Session

FISCAL NOTE

House Bill 441 (Delegate Doorv. *et al.*)

Ways and Means

Income Tax - United States Coast Guard Auxiliary Members

This bill adds members of the United States Coast Guard Auxiliary to the list of qualified volunteer fire, rescue, or emergency medical services members who are entitled to a \$3,500 income tax subtraction modification for volunteer services. The subtraction modification is allowed only if the volunteers meet specified qualifications, such as having been an active member for at least 72 months during the last 10 calendar years.

The bill takes effect July 1, 1999 and applies to all taxable years beginning after December 31, 1998.

Fiscal Summary

State Effect: General fund revenues could decrease by \$157,400 in FY 2000. Future year estimates decrease by 3.7% annually. No effect on expenditures.

(in dollars)	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004
GF Revenues	(\$157,400)	(\$149,900)	(\$143,000)	(\$137,700)	(\$132,500)
GF Expenditures	0	0	0	0	0
Net Effect	(\$157,400)	(\$149,900)	(\$143,000)	(\$137,700)	(\$132,500)

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

Local Effect: Local piggyback revenues are expected to decrease by \$89,200 in FY 2000 and \$85,900 in FY 2001. No effect on expenditures.

Small Business Effect: None.

Fiscal Analysis

State Revenues: According to the United States Coast Guard Auxiliary, there were 1,069 auxiliary members in Maryland in 1998. Of the 1,069 members, approximately 90% had been active members for at least 72 months. Based on the above information, it is estimated that 927 members will qualify for the \$3,500 subtraction modification in fiscal 2000 at a cost to the State of \$157,358. Future year general fund revenue losses decrease by 3.7% annually, which reflects the average annual decline in membership over the past seven years.

Local Revenues: Local piggyback revenues will decrease by \$89,200 in fiscal 2000 and \$85,900 in fiscal 2001. Future year revenue losses decrease by 3.7% annually.

Information Source(s): United States Coast Guard Auxiliary, Comptroller of the Treasury (Bureau of Revenue Estimates), Department of Legislative Services

Fiscal Note History: First Reader - February 22, 1999
dmm/jr

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