

**Department of Legislative Services**  
Maryland General Assembly  
1999 Session

**FISCAL NOTE**

Senate Bill 24 (Senator Ruben)

Budget and Taxation

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**Motor Vehicle Fuel Tax Refunds for Transportation Systems for Elderly,  
Handicapped, or Low Income Individuals**

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This bill extends the sunset date applicable to refunds of motor fuel taxes paid by non-profit organizations transporting elderly, handicapped, or low-income individuals.

The bill is effective July 1, 1999.

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**Fiscal Summary**

**State Effect:** Annual general and special fund revenue losses totaling \$300,000 would continue beginning in FY 2000. Expenditures would not be affected.

(in dollars)	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004
GF Revenues	(\$6,900)	(\$6,900)	(\$6,900)	(\$6,900)	(\$6,900)
SF Revenues	(293,100)	(293,100)	(293,100)	(293,100)	(293,100)
Net Effect	(\$300,000)	(\$300,000)	(\$300,000)	(\$300,000)	(\$300,000)

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

**Local Effect:** Annual local revenue losses totaling \$87,400 would continue beginning in FY 2000. Expenditures would not be affected.

**Small Business Effect:** No impact on small for-profit businesses. However, non-profit organizations will benefit from these refunds, some of which may be small.

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**Fiscal Analysis**

**Background:** Chapter 176 of the Acts of 1995 granted refunds for non-profit organizations that operated a system of transportation for elderly, handicapped, or low-income individuals based in Howard County. Chapter 355 of the Acts of 1996 amended this Act to include all organizations in the State. This bill repeals the termination date.

**State Revenues:** In fiscal 1998, 181 or 3.53% of the claims filed for motor fuel tax refunds were filed by non-profit organizations transporting elderly, handicapped, or low-income individuals. The total revenue loss resulting from these refunds was \$300,000 (4.11%) of the total refunds granted with a special fund revenue loss of \$293,100 and a general loss of \$6,900. Transportation Trust Fund revenues account for \$291,300 of the total special fund decrease. The remainder of the loss will occur in the Waterways Improvement Fund and the Fisheries Research and Development Fund. Assuming these organizations will continue applying for refunds, the revenue loss is expected to remain constant. The fiscal 2000 revenue estimate does not account for this loss.

**Local Revenues:** This bill will continue the refund program already in place. Therefore the loss to the counties will remain constant (through the Transportation Trust Fund). It is estimated that Baltimore City will lose \$33,500 annually and the counties will experience a combined loss of \$53,900 annually.

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**Information Source(s):** Department of Transportation, Office of the Comptroller (Motor Fuel Tax Unit), Department of Health and Mental Hygiene (Developmental Disabilities Administration), Department of Legislative Services

**Fiscal Note History:** First Reader - January 25, 1999

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Analysis by: Joanna Rooney

Direct Inquiries to:

John Rixey, Coordinating Analyst

(410) 946-5510

(301) 970-5510