

Department of Legislative Services
Maryland General Assembly
1999 Session

FISCAL NOTE

Senate Bill 514 (Senator Hoffman)
(Chairman, Budget and Taxation Committee)

Budget and Taxation

Sales and Use Tax - Natural Gas and Electricity

This bill clarifies three provisions of current law related to gas and electric utility sales, as follows: (1) exempts all residential purchases of electricity and natural gas from the sales tax; (2) includes the transmission, distribution, or delivery of electricity or natural gas in the current definition of taxable services for the sales and use tax if the sale of the electricity or natural gas is subject to the sales and use tax; and (3) defines a production activity as a means of generating electricity only if for sale or use in another production activity.

The bill is effective July 1, 1999.

Fiscal Summary

State Effect: None. The provisions clarify sales and use tax treatment and would not affect State finances.

Local Effect: None.

Small Business Effect: None.

Information Source(s): Comptroller of the Treasury (Bureau of Revenue Estimates)

Fiscal Note History: First Reader - March 1, 1999

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