

Department of Legislative Services
Maryland General Assembly
1999 Session

FISCAL NOTE
Revised

House Bill 645 (Delegate Rudolph, *et al.*)

Ways and Means

Sales and Use Tax - Exemption - Prisoner of War - Missing in Action Flags

This bill exempts sales of prisoner of war (POW)/missing in action (MIA) flags from the sales and use tax.

This bill is effective July 1, 1999.

Fiscal Summary

State Effect: Potential minimal decrease in general fund revenues. Expenditures would not be affected.

Local Effect: None.

Small Business Effect: Minimal.

Fiscal Analysis

State Revenues: Total sales of POW/MIA flags in Maryland are unknown. There are 530,000 military veterans living in Maryland and an estimated 300 American Legion, Veterans of Foreign Wars, and Fleet Reserve posts in Maryland. The average price of a POW/MIA flag is approximately \$60. For illustrative purposes, if 1% of military veterans and 10% of the above mentioned posts purchase one POW/MIA flag yearly, the resulting loss in sales and use tax revenue would be approximately \$16,000.

Information Source(s): Comptroller of the Treasury (Bureau of Revenue Estimates), United States Statistical Abstract, Department of Legislative Services

Fiscal Note History:

First Reader - March 8, 1999

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Revised - House Third Reader - March 25, 1999

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