

**Department of Legislative Services**  
Maryland General Assembly  
2000 Session

**FISCAL NOTE**

House Bill 663 (Delegate Healev. *et al.*)

Ways and Means

---

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

---

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

This bill is effective July 1, 2000.

---

**Fiscal Summary**

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

**Local Effect:** None.

**Small Business Effect:** Minimal.

---

**Analysis**

**Current Law:** These flags are currently subject to the 5% sales and use tax.

**Background:** There are approximately 519,000 military veterans living in Maryland and an estimated 300 American Legion, Veterans of Foreign Wars, and Fleet Reserve posts in Maryland.

**State Revenues:** Total sales of POW and MIA flags in Maryland are unknown, but assumed to be less than \$100,000 per year, resulting in decreased tax revenues of \$5,000 per year or less.

---

**Additional Information**

**Prior Introductions:** HB 158 of 1997 passed the House of Delegates but received an unfavorable report from the Senate Budget and Taxation Committee.

**Cross File:** SB 774 (Senator Green, *et al.*) - Budget and Taxation.

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

**Fiscal Note History:** First Reader - March 10, 2000  
jir/jr

---

Analysis by: Matthew D. Riven

Direct Inquiries to:  
John Rixey, Coordinating Analyst  
(410) 946-5510  
(301) 970-5510