

Department of Legislative Services
Maryland General Assembly
2000 Session

FISCAL NOTE

Senate Bill 774 (Senator Green. *et al.*)

Budget and Taxation

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: HB 663 (Delegate Healey, *et al.*) - Ways and Means.

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

Fiscal Note History: First Reader - March 10, 2000
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