

Department of Legislative Services

Maryland General Assembly

2002 Session

FISCAL NOTE

House Joint Resolution 15 (Delegate Arnick, *et al.*)

Commerce and Government Matters

Education, Health, and Environmental Affairs

Maryland's Salute to the Services

This joint resolution designates the week of May 18 through June 14, 2002 as Maryland's "Salute to the Services" and calls upon tourism businesses in the State to provide travel-related discounts to military, fire and emergency services, police, and hazardous material safety personnel. It also requests the Department of Business and Economic Development (DBED) to market and publicize the Salute to the Services and coordinate the efforts of the local tourism offices throughout the State to organize businesses and offer discounts.

Fiscal Summary

State Effect: Minimal or none. The provisions of the resolution could be handled with existing resources. Any potential increase in sales tax revenue as a result of the resolution may be offset by the discounted purchase price.

Local Effect: Minimal or none. Any potential increase in hotel or other local tax revenue as a result of the resolution may be offset by the discounted purchase price.

Small Business Effect: Small businesses that choose to provide the discount described in the resolution may experience increased sales offset by any discount-related profit loss. Small businesses comprise over 75% of the tourism industry.

Analysis

Current Law: None applicable.

State Fiscal Effect: DBED advises that the Maryland Office of Tourism Development has assigned a staff member to work with the Salute to the Services and promote the initiative to county tourism offices. It further advises that State expenditures for tourism promotion generate tax revenue to the State and local governments due to increased economic activity. The Department of Legislative Services advises that any additional sales tax revenue that may result from the resolution would be offset by the discounted purchase price on which the tax would be calculated. It further notes the limited time period allowed for the discount.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Department of Business and Economic Development,
Department of Legislative Services

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ncs/mdr

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