

Department of Legislative Services
Maryland General Assembly
2007 Special Session

FISCAL AND POLICY NOTE

House Bill 54
Ways and Means

(Delegates Simmons and Dumais)

Commission to Study Maryland's Tax Structure

This bill establishes the Commission to Study Maryland's Tax Structure for the purpose of • studying the progressivity of the tax burden in Maryland, Baltimore City, and each county; • examining the possibility of repealing various taxes; and • making recommendations regarding restructuring the tax system to ensure fairness and progressivity. The Office of the Governor will provide staff support for the commission. The commission must report its findings and recommendations to the Governor and the General Assembly by December 31, 2008.

The bill takes effect January 1, 2008 and terminates June 1, 2009.

Fiscal Summary

State Effect: None. Any expense reimbursements for commission members and staffing costs for the Office of the Governor are assumed to be minimal and absorbable within existing budgeted resources.

Local Effect: None.

Small Business Effect: None.

Analysis

Current Law/Background: Several study groups and commissions have been convened in recent years to examine Maryland's tax structure. In 1990, the Maryland Commission

on State Taxes and Tax Structure, chaired by Mr. Robert Linowes, released a final report that recommended significant changes to State and local taxes.

In 1996, at the request of the House Committee on Ways and Means, the Department of Legislative Services undertook a comprehensive review of Maryland's State and local tax structure. The review encompassed a description of each tax followed by information on revenue trends, comparative state data, and recent law changes.

In 2002, the Commission on Maryland's Fiscal Structure, chaired by Mr. Fred Puddester, a former Secretary of Budget and Management, was established to examine and make recommendations for changes to the State's budget and tax structure. An interim report was released in December 2002; however, the commission was abolished prior to releasing a final report.

According to the National Conference of State Legislatures, at least 36 other states have conducted comprehensive tax studies since 2000.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): National Conference of State Legislatures, Department of Legislative Services

Fiscal Note History: First Reader - November 2, 2007
ncs/hlb

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