

Department of Legislative Services
Maryland General Assembly
2008 Session

FISCAL AND POLICY NOTE

Senate Bill 179

(Chair, Finance Committee)(By Request – Departmental
– Labor, Licensing, and Regulation)

Finance

Ways and Means

State Racing Commission - Mile Thoroughbred Racing - Payment of Taxes

This departmental bill extends the time within which a mile thoroughbred licensee must pay specified pari-mutuel racing taxes to the Racing Commission from three days to seven days after each racing day.

The bill takes effect July 1, 2008.

Fiscal Summary

State Effect: The bill would not materially affect State operations or finances because racing taxes would still be paid to and collected by the Racing Commission.

Local Effect: None.

Small Business Effect: The Department of Labor, Licensing, and Regulation has determined that this bill has minimal or no impact on small business (attached). Legislative Services concurs with this assessment.

Analysis

Current Law: Mile thoroughbred licensees are required to pay pari-mutuel racing taxes to the Racing Commission within three days of each racing day.

Background: The most recent legislative audit of the Racing Commission determined that pari-mutuel taxes were not being paid by mile thoroughbred licensees within the

required timeframe. The commission has determined that increasing the time within which taxes are to be paid is a practical solution to resolve the issue.

The State tax on wagers is 0.32% imposed on the pari-mutuel handle for each racing day. The proposed fiscal 2009 State budget assumes approximately \$1.6 million in racing taxes.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Department of Labor, Licensing, and Regulation; Department of Legislative Services

Fiscal Note History: First Reader - January 30, 2008
ncs/rhh

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