

Department of Legislative Services
Maryland General Assembly
2009 Session

FISCAL AND POLICY NOTE

Senate Bill 653

(Senators Harris and Peters)

Budget and Taxation

Ways and Means

Admissions and Amusement Tax - Shooting Ranges - Military, Police, and
Correctional Officers

This bill creates a credit against the admissions and amusement tax imposed by a county or municipality in the amount equal to any tax imposed on gross receipts derived from a charge for admission to or use of a shooting range. The credit applies only to an active or retired member of the military or an individual employed as a police officer or corrections officer. A person who has gross receipts subject to a local admissions and amusement tax must pass the credit on to the customer from whom the charge is collected.

The bill takes effect July 1, 2009.

Fiscal Summary

State Effect: None.

Local Effect: Local admissions and amusement tax revenues may decrease by a minimal amount in certain counties and municipalities. The amount of the decrease varies by jurisdiction. Local expenditures are not affected.

Small Business Effect: Meaningful benefit to operators of shooting ranges.

Analysis

Current Law: A county or municipality is authorized to impose an admissions and amusement tax, unless expressly provided otherwise, on the gross receipts of the following activities: (1) admission to a place, including any additional separate charge

for admission within an enclosure; (2) use of a game of entertainment; (3) use of a recreational or sports facility; (4) use of recreational or sports equipment; and (5) merchandise, refreshments, or a service sold or served in connection with entertainment at a nightclub or a room in a hotel, restaurant, hall, or other place where dancing privileges, music, or other entertainment is provided.

The Code of Maryland Regulations (COMAR 03.06.02.05) establishes that a county or municipality authorized to impose the admissions and amusement tax may enact exemptions from the tax.

A county may not impose an admissions and amusement tax on gross receipts within a municipality if the municipality imposes an admissions and amusement tax on the activity or specifically exempts any certain activity from an admissions and amusement tax. Furthermore, State law prohibits counties and municipalities from collecting admissions and amusement tax on the operation of an agricultural fair as long as the net earnings are not paid to the benefit of any stockholder or member of the association conducting the fair.

Background: The admissions and amusement tax is a local tax collected by the Comptroller's Office. The tax rates are set by local officials and vary from a low of 0.5% in Dorchester County to the maximum allowed rate of 10% in Anne Arundel, Baltimore, Carroll, Charles, and Prince George's counties and Baltimore City. Calvert County does not impose the admissions and amusement tax on any transaction on which the sales tax is collected. Caroline County is the only jurisdiction that does not impose an admissions and amusement tax. If sales and use tax applies to the transaction, a county or municipality may not set a rate when combined with the sales and use tax that would be higher than 11%. County admissions and amusement tax revenues are estimated at \$47.2 million in fiscal 2008 and \$46.2 million in fiscal 2009 as illustrated in **Exhibit 1**.

Shooting Ranges in Maryland

The fee charged for use of a shooting range varies, depending on the type of range. Typically, shooting ranges charge an annual membership fee, charge daily or hourly usage fees, or a combination of the two. Many shooting ranges also rent firearms, which is also subject to admissions and amusement tax in some jurisdictions. There are approximately 70 shooting ranges throughout the State; 33 are public ranges and 37 are private ranges.

Exhibit 1
Local Admissions and Amusement Tax Revenues
Fiscal 2005-2009

County	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
Allegany	\$164,959	\$149,945	\$162,589	\$157,974	\$150,000
Anne Arundel	6,775,544	6,931,761	7,187,118	7,734,653	7,860,000
Baltimore City	8,485,185	8,562,000	8,840,000	9,775,307	9,300,000
Baltimore	6,955,322	6,696,537	7,572,047	8,072,662	8,181,190
Calvert	269,049	293,735	107,310	23,377	40,000
Caroline	0	0	0	0	0
Carroll	451,295	393,958	405,295	386,184	400,000
Cecil	153,414	152,313	177,527	177,496	175,000
Charles	779,140	778,472	684,716	821,653	1,032,300
Dorchester	2,028	3,130	3,597	3,038	3,000
Frederick	803,830	937,249	954,532	834,477	893,000
Garrett	465,792	541,268	537,808	657,270	600,000
Harford	468,394	528,653	610,182	503,188	635,500
Howard	1,869,257	1,910,985	1,986,750	2,039,890	2,000,000
Kent	6,902	15,700	13,200	20,981	42,986
Montgomery	3,098,358	2,365,311	2,407,717	2,201,957	2,210,000
Prince George's	10,463,873	13,050,061	10,893,547	12,190,674	11,112,500
Queen Anne's	97,224	182,467	214,326	167,425	240,000
St. Mary's	104,600	151,237	115,355	112,802	120,000
Somerset	38,152	19,635	31,476	26,524	25,000
Talbot	46,897	50,405	43,612	67,106	45,000
Washington	460,068	406,003	403,022	441,705	400,000
Wicomico	250,828	242,235	220,982	208,355	175,000
Worcester	544,223	533,901	593,253	597,615	560,000
Total	\$42,754,334	\$44,896,961	\$44,165,961	\$47,222,313	\$46,200,476

Source: Maryland Association of Counties, Budget and Tax Rate Survey, November 2008

Local Fiscal Effect: Admissions and amusement tax revenues decrease in counties and municipalities that impose the tax on recreation facilities due to credits granted against the tax for an active or retired member of the military or an individual employed as a police officer or corrections officer. Overall, the fiscal impact is expected to be minimal; however, the number of shooting ranges and the number of individuals eligible for the credit may vary by jurisdiction.

As advised by the Comptroller, all counties except Calvert, Caroline, Somerset, and Talbot charge a tax on athletic facilities. Additionally, all counties except Caroline charge a tax on athletic equipment rental. The number of municipalities that impose an admissions and amusement tax on shooting ranges is not known.

Small Business Effect: Allowing a credit against the admissions and amusement tax provides a meaningful benefit to operators of shooting ranges by lowering the cost of use to active or retired military, police officers and correctional officers. Some shooting ranges currently offer discounts to law enforcement personnel, as a professional courtesy.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Comptroller's Office, Military Department, Department of State Police, Department of Public Safety and Correctional Services, Department of Legislative Services

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