

**Department of Legislative Services**  
Maryland General Assembly  
2018 Session

**FISCAL AND POLICY NOTE**  
**First Reader**

House Bill 964  
Ways and Means

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**Admissions and Amusement Tax - Exemption for School Field Trips**

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This bill authorizes county and municipal governments to exempt gross receipts from any charge for admission to participate in a State public school field trip or similar State public school activity from county and municipal admissions and amusement taxes. **The bill takes effect July 1, 2018.**

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**Fiscal Summary**

**State Effect:** None.

**Local Effect:** County and municipal admissions and amusement tax revenues may decrease beginning in FY 2019 to the extent exemptions are granted. Expenditures are not affected.

**Small Business Effect:** None.

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**Analysis**

**Current Law:** Counties and municipalities are authorized to tax the gross receipts derived from (1) the charge for admission to any place furnishing a performance such as a movie theater or sports stadium; (2) the use or rental of sporting or recreational facilities; (3) the merchandise, refreshments, or services 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; (4) use of a game of entertainment; and (5) use or rental of recreational or sports equipment.

Counties and municipalities may also impose a tax on admission for a reduced charge or at no charge to a place that otherwise charges admission. An admissions and amusement

tax may not be imposed in a municipality by a county if the municipality already imposes a similar tax or specifically exempts any gross receipts from the admissions and amusement tax.

The Maryland Stadium Authority is authorized to impose a tax on the gross receipts derived from any admissions and amusement charge for a facility owned or leased by the stadium authority. The stadium authority also may impose an additional tax for each person provided with a free admission or an admission at a reduced charge to a stadium authority facility. Currently, these taxes are imposed at both stadiums at Camden Yards (Orioles and Ravens).

Each county or municipality sets its own single tax rate or range of rates. This rate is expressed as a percentage of gross receipts, up to a maximum rate of 10%. The stadium authority may impose an admissions and amusement tax at its facilities of up to 8%. In those instances where gross receipts are subject to both a local and a stadium authority admissions and amusement tax, the stadium authority tax takes precedence. The stadium authority imposes the maximum 8% rate at both stadiums at Camden Yards. Therefore, Baltimore City may only impose a maximum 2% admissions and amusement tax on those receipts.

The local admissions and amusement tax is further limited by the State sales and use tax. The maximum tax rate on the gross receipts subject to both the State sales and use tax and the local admissions and amusement tax may not exceed 11%. Therefore, if the 6% State sales and use tax applies to these receipts, the local admissions and amusement tax may not exceed 5%. This limitation on the local tax arises primarily on performances accompanied by some type of food service (*e.g.*, dinner theaters).

Counties, municipalities, and the stadium authority are authorized to classify different types of activities, and the rate of tax need not be the same for each type. If a municipality does not levy a tax, the county tax, if any, applies within the municipality. All counties (with the exception of Caroline and Frederick counties), Baltimore City, and most municipalities impose an admissions and amusement tax. There are numerous statewide and county specific admissions and amusement tax exemptions set out under State law.

**Background:** Queen Anne's County advises that the county does not collect admissions and amusement taxes on any school field trips.

**Local Fiscal Effect:** County and municipal admissions and amusement tax revenues may decrease beginning in fiscal 2019 to the extent exemptions are granted. The amount of the revenue decrease depends on the gross receipts from various admissions charges for public school field trips that are subject to county and municipal admissions and amusement taxes.

**Exhibit 1** shows county admissions and amusement tax collections for fiscal 2016 through 2018. As a point of reference, if collections from public school field trips account for 1% of total county admissions and amusement tax collections in those counties that impose the tax, total county revenues may decrease by approximately \$477,400 annually beginning in fiscal 2019 if all counties provide the exemption.

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**Exhibit 1**  
**Admissions and Amusement Tax Revenues**  
**Fiscal 2016-2018**

<b>County</b>	<b>FY 2016</b>	<b>FY 2017</b>	<b>FY 2018</b>
Allegany	\$167,171	\$250,000	\$250,000
Anne Arundel	8,698,383	8,550,000	7,256,000
Baltimore City	7,813,165	7,813,165	8,008,856
Baltimore	5,804,277	5,215,414	6,150,630
Calvert	17,456	30,000	30,000
Caroline	0	0	0
Carroll	387,725	306,000	315,200
Cecil	117,343	135,000	135,000
Charles	681,792	737,000	737,000
Dorchester	284	500	500
Frederick	0	0	0
Garrett	732,671	890,000	875,000
Harford	537,485	530,000	530,000
Howard	2,736,822	2,123,657	2,500,000
Kent	16,227	20,700	16,000
Montgomery	3,112,152	3,193,714	3,289,800
Prince George's	13,515,562	17,305,900	16,530,700
Queen Anne's	169,679	158,100	170,000
St. Mary's	129,371	110,000	130,000
Somerset	17,833	16,000	17,000
Talbot	23,406	30,000	20,000
Washington	274,939	300,000	280,000
Wicomico	168,149	100,000	168,000
Worcester	524,750	500,000	500,000
<b>Total</b>	<b>\$45,646,642</b>	<b>\$48,315,150</b>	<b>\$47,909,686</b>

Source: Department of Legislative Services; county budgets

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## **Additional Information**

**Prior Introductions:** HB 842 of 2017 received a favorable with amendments report from the House Ways and Means Committee and passed the House. The bill received a hearing in the Senate Budget and Taxation Committee, but no further action was taken.

**Cross File:** None.

**Information Source(s):** Montgomery County; City of College Park; Maryland Municipal League; Maryland State Department of Education; Department of Legislative Services

**Fiscal Note History:** First Reader - February 16, 2018  
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