

HOUSE BILL 594

Q4

6lr1493
CF SB 405

By: **Delegate Lewis (By Request – Baltimore City Administration) and Delegates Addison, Edelson, Embry, Ruff, Stinnett, and Young**

Introduced and read first time: January 28, 2026

Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Sales and Use Tax – Distribution – City of Baltimore**

3 FOR the purpose of altering the distribution of sales and use tax revenues to require the
4 Comptroller to pay to the City of Baltimore a certain amount of sales and use tax
5 revenues derived from retail sales that occur within the City of Baltimore; and
6 generally relating to the distribution of sales and use tax revenues.

7 BY repealing and reenacting, with amendments,

8 Article – Tax – General

9 Section 2–1303

10 Annotated Code of Maryland

11 (2022 Replacement Volume and 2025 Supplement)

12 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
13 That the Laws of Maryland read as follows:

14 **Article – Tax – General**

15 2–1303.

16 After making the distributions required under §§ 2–1301 through 2–1302.5 of this
17 subtitle, the Comptroller shall pay:

18 (1) revenues from the hotel surcharge into the Dorchester County
19 Economic Development Fund established under § 10–130 of the Economic Development
20 Article;

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



(2) TO THE CITY OF BALTIMORE, ONE-THIRD OF THE REVENUES FROM SALES AND USE TAXES COLLECTED AND REMITTED FROM RETAIL SALES THAT OCCUR WITHIN THE CITY OF BALTIMORE;

(3) to the Blueprint for Maryland's Future Fund established under § 5-206 of the Education Article, the following percentage of the remaining sales and use tax revenues:

(i) for fiscal year 2023, 9.2%;

(ii) for fiscal year 2024, 11.0%;

(iii) for fiscal year 2025, 11.3%;

(iv) for fiscal year 2026, 11.7%; and

(v) for fiscal year 2027 and each fiscal year thereafter, 12.1%; and

[(3)] (4) the remaining sales and use tax revenue into the General Fund of the State.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2026.