

Department of Legislative Services
Maryland General Assembly
2026 Session

FISCAL AND POLICY NOTE
Third Reader

Senate Bill 309

(Senator Jennings, *et al.*)

Budget and Taxation

Ways and Means

Sales and Use Tax - Precious Metal Bullion or Coins - Exemption

This bill expands a State sales and use tax exemption for the sale of precious metal bullion or coins, by exempting all such sales from the State sales and use tax. Under current law, only sales exceeding \$1,000 and occurring at the Baltimore Convention Center are exempt. The bill also alters the definition of precious metal bullion or coins for purposes of exemption eligibility. **The bill takes effect July 1, 2026.**

Fiscal Summary

State Effect: General fund revenues decrease by at least \$2.5 million in FY 2027 and by at least \$2.8 million in FY 2031. Blueprint for Maryland's Future Fund (BMFF) revenues decrease by \$0.3 million in FY 2027 and by \$0.4 million in FY 2031. Expenditures are not affected.

Local Effect: None.

Small Business Effect: Potential meaningful. Vendors that deal in the sale of precious metal bullion or coins may realize additional transactions as a result of the change.

Analysis

Current Law: Chapter 604 of 2025 (Budget Reconciliation and Financing Act of 2025) imposed the State sales and use tax on the sale of precious metal bullion or coins with a sales price greater than \$1,000 – unless the sale is made at the Baltimore Convention Center – beginning in fiscal 2026. Prior to fiscal 2026, the State sales and use tax did not apply to the sale of precious metal bullion or coins that had a sales price greater than \$1,000.

State Sales and Use Tax

The sales and use tax is the State’s second largest source of general fund revenue, accounting for approximately \$6.1 billion in fiscal 2026 and \$6.2 billion in fiscal 2027, according to the December 2025 revenue forecast. **Exhibit 1** shows the sales and use tax rates in surrounding states and the District of Columbia.

Exhibit 1
Sales and Use Tax Rates in Maryland and Surrounding States

Delaware	0.0%
District of Columbia	6.0%; 10.0% for liquor sold for on-the-premises consumption and restaurant meals; 10.25% for alcoholic beverages for consumption off the premises, tickets to specified sporting events, and specified rental vehicles; 8.0% for specified soft drinks; 14.95% for transient accommodations; 18.0% for motor vehicle parking in commercial lots
Maryland	6.0% 9.0% for alcoholic beverages
Pennsylvania	6.0% plus 1.0% or 2.0% in certain local jurisdictions
Virginia*	5.3%; 1.0% for eligible food items; 1.0% for specified essential personal hygiene items
West Virginia	6.0% plus 1.0% in specified municipalities

* An additional state tax of (1) 0.7% is imposed in localities in Central Virginia, Northern Virginia, and the Hampton Roads region; (2) 1.0% in Charlotte, Gloucester, Halifax, Henry, Northampton, Patrick, and Pittsylvania counties, and the City of Danville; and (3) 1.7% is imposed in James City County, York County, and Williamsburg (Historic Triangle). The sales and use tax rate for food and personal hygiene products decreased to 1.0% as of January 1, 2023.

Blueprint for Maryland’s Future Fund

Chapter 33 of 2022 altered the distribution of sales and use tax revenues beginning in fiscal 2023. Chapter 33 requires the Comptroller, after making certain other distributions, to pay to BMFF the following percentage of the remaining sales and use tax revenues:

- 9.2% for fiscal 2023;
- 11.0% for fiscal 2024;

- 11.3% for fiscal 2025;
- 11.7% for fiscal 2026; and
- 12.1% for fiscal 2027 and each subsequent fiscal year.

Chapter 33 also repealed the distribution of sales and use tax revenues to the BMFF from marketplace facilitators, certain out-of-state vendors, and specified digital products or digital codes.

State Fiscal Effect: General fund and special fund revenues decrease beginning in fiscal 2027. Based on the fiscal note for Chapter 604, it is estimated that general fund revenues decrease by at least \$2.5 million in fiscal 2027 and by at least \$2.8 million in fiscal 2031. BMFF revenues decrease by \$0.3 million in fiscal 2027 and by \$0.4 million in fiscal 2031.

Due to limited data available on the sale of gold and other precious metals in the State, the actual impact on State revenues depends on the number of transactions that occur each year and the value of these transactions. To the extent the volume of sales and the prices of various precious metals vary over time, State revenues will be affected accordingly.

Additional Information

Recent Prior Introductions: Similar legislation has been introduced within the last three years. See HB 357 and SB 1017 of 2025, HB 1322 of 2024, and HB 1169 of 2023.

Designated Cross File: HB 500 (Delegate Hartman, *et al.*) - Ways and Means.

Information Source(s): Comptroller's Office; Department of Legislative Services

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