



Letter of Information

Senate Bill 405 – Sales and Use Tax – Distribution – City of Baltimore

Budget and Taxation Committee

February 11, 2026

The Comptroller of Maryland is respectfully submitting this letter of information regarding Senate Bill 405 – Sales and Use Tax – Distribution – City of Baltimore.

SB405 proposes an alteration of distribution of sales and use tax revenues to require the Comptroller to pay to the City of Baltimore allocated one-third of all sales and use tax revenues generated by retail sales within the city directly to the City of Baltimore.

The Comptroller would like to note that it does not have the data or ability to determine sales and use tax collected and remitted from specific retail sales that occur within the City of Baltimore. Sales and use tax is reported by businesses based on statewide activity, and the Comptroller has no ability to identify sales and use tax remittance that occur within the boundaries of a specific locality.

Thank you. If you have any questions, please reach out to Michael Bayrd, Director of Intergovernmental Affairs, at mbayrd@marylandtaxes.gov.

