COMPTROLLER of MARYLAND

Serving the People

State of Maryland

Fiscal Year 2000 Consolidated Revenue Report

William Donald Schaefer
Comptroller of Maryland

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To the people of maryland:

I am pleased to submit to you this eleventh consolidated report on those revenues collected by the Comptroller of Maryland. This report is published by the Comptroller of Maryland in addition to the Comprehensive Annual Financial Report, also issued by my office, which summarizes the annual financial activities of the state.

2000 has been a turning point here in the Comptroller's Office as we implemented for the first time a strategic planning initiative. The strategic planning initiative started with a simple question, "What can we do to better help the people of Maryland?"

As we answered this question, we identified four broad priority areas.

- Broadening our mission to identify ways to be of greater service to Marylanders.
- Serving our customers better by improving the efficiency and effectiveness of delivering our services.
- Applying creative technologies to deliver better service to our customers.
- Enhancing our people resources to improve working conditions and to assure that our agency is the best in State government in which to build a career.

I feel that by reaching these goals we will better serve the people of Maryland and make our state attractive to businesses.

Our work looks as if it is paying off. During fiscal year 2000, the Comptroller's Office collected $11.6 billion in revenues. Of this amount, $7.9 billion was deposited into the state's general fund, $2.9 billion was collected for distribution to Maryland's counties and municipalities, and $785 million was collected for the Department of Transportation and other special fund agencies of the state. These revenues were collected at a cost to the taxpayers of 53 cents per $100 collected.

I hope this report helps you to better understand the Comptroller's Office organization and operations.

William Donald Schaefer

Comptroller of Maryland

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Mission

The Comptroller of Maryland, through the wise development and use of all resources, including technology and the workforce, meets its financial and revenue management and regulatory responsibilities while providing excellent, cost-effective services in both traditional areas and in new and expanded initiatives.

Vision

Citizens, the professional community, and peers in government recognize the Comptroller of Maryland for its integrity, professional excellence, innovation, and commitment to helping people.

Organization

The Comptroller of Maryland is organized into five major functional areas: (1) Executive Direction and Administration, which includes the state comptroller and his staff, and the agency's central management and budgeting functions; (2) Revenue Administration, which includes administering and enforcing the state and local income tax laws, the sales and use, motor fuels, alcoholic beverages and tobacco, energy generation, and estate taxes, emergency telephone system tax, unclaimed property, the local admissions and amusement taxes, and revenue estimating; (3) Regulation, which includes regulating the alcohol, tobacco, and motor fuel industries; (4) Financial Control, which includes accounting for revenues and expenditures, and payroll operations; and (5) Information Technologies, which entails responsibility for data processing/ computer services, and phone services.

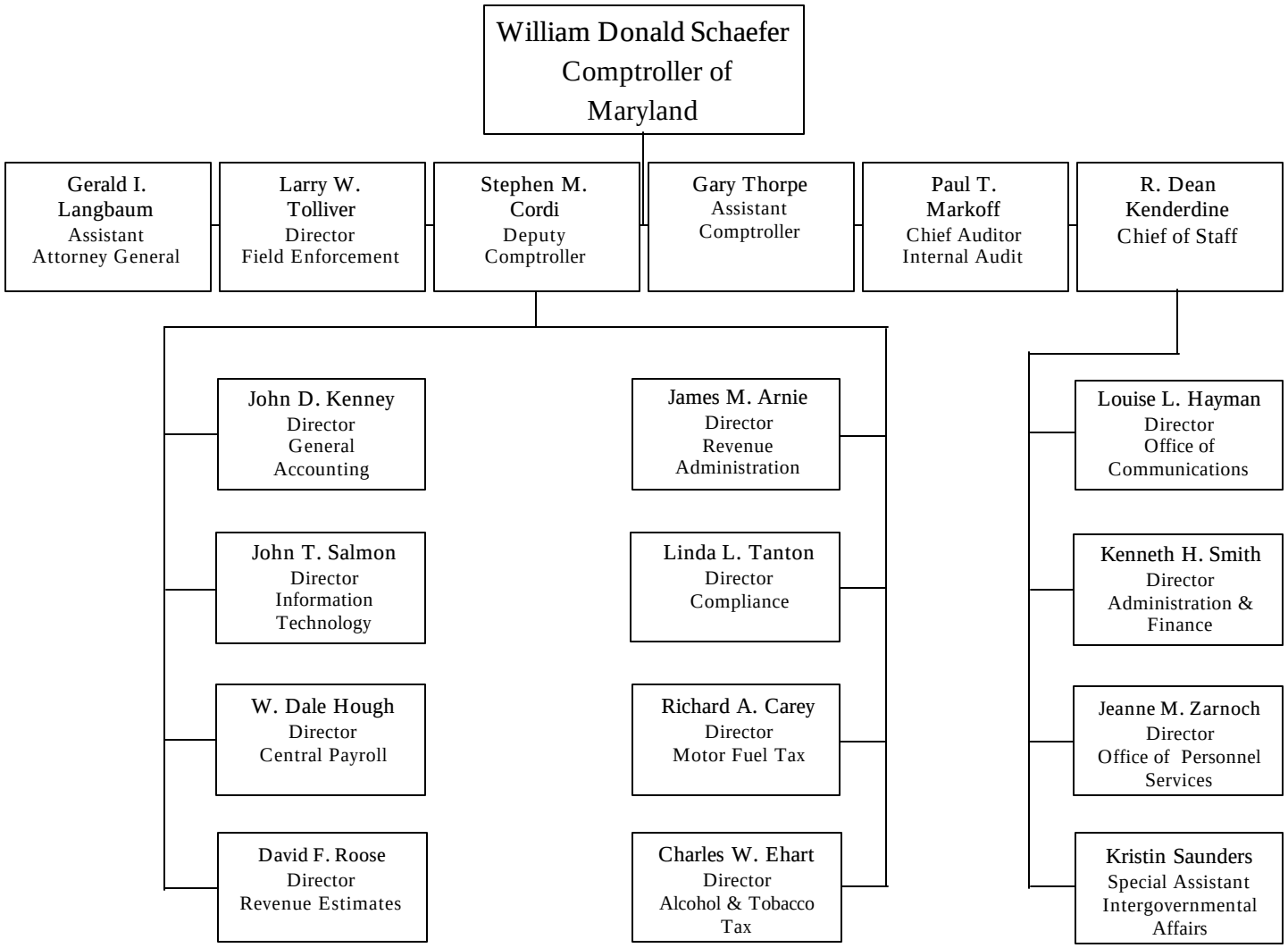
COMPTROLLER of MARYLAND
Serving the People

a brief history of the Comptroller of Maryland

The Maryland state constitution of 1867 (Article VI, Section 2) describes the duties and responsibilities of the Office of the Comptroller stating that: "*The comptroller shall have the general superintendence of the fiscal affairs of the State... prepare plans for the improvement and management of the Revenue, and for the support of the Public Credit; prepare and report estimates of the Revenue and Expenditures of the state, superintend and enforce the prompt collection of all Taxes and Revenues, and preserve all public accounts.*"

This brief description encompasses one of the most important functions in state government. In collecting the bulk of Maryland's general fund revenues; paying the state's bills; regulating motor fuel, alcoholic beverages, and cigarettes; and providing data services to other state agencies, the Comptroller's Office touches the lives of many Marylanders.

Comptroller of maryland
Organizational Chart



Executive direction and administration

Office of the comptroller

The Office of the Comptroller provides executive direction for the Comptroller of Maryland, including public affairs and staff support for the comptroller and deputy comptrollers as well as support for the comptroller's responsibilities as a member of the Board of Public Works. Administrative support and direction for the 24 Registers of Wills is also provided by the Office of the Comptroller.

Office of administration and finance

The Office of Administration and Finance provides centralized budgeting, accounting and procurement activities for the Comptroller of Maryland. The office provides mailroom, printing and other administrative support services. This office also performs capital grant and loan administration as well as accounting for debt service on the state's general obligation bonds.

Office of Personnel Services

The Office of Personnel Services provides recruiting, personnel and equal employment opportunity services to the Comptroller of Maryland. In 1999, the Office of Personnel Services took control of the training functions for employees of the Comptroller's Office.

In 2000, the Comptroller developed and began implementing the agency's first comprehensive strategic plan which will direct agency efforts over the next three years.

Revenue Administration

In 2000 - the second year this service was offered - 56,599 taxpayers filed thir Maryland personal tax return from their personal computers, an increase of 161 percent over 1999.

Revenue administration division

The Revenue Administration Division processes personal, corporation, fiduciary, employer withholding, estate, tire fee, admissions and amusement, sales and use, and motor fuel tax returns. All remittances received with these returns are deposited through a centralized remittance processing center.

In addition, the division is responsible for providing assistance to taxpayers, adjusting taxpayer accounts, controlling all tax processing systems, accounting for and reporting all tax revenues received, and distributing the local income tax collected on Maryland state and local income tax returns to the subdivisions of Maryland.

In 2000 the Bureau of Revenue Estimates contributed to the Federation of Tax Administrators' efforts to streamline the states' sales tax collection efforts to meet the challenges of e-commerce.

Bureau of revenue estimates

The Bureau of Revenue Estimates carries on continuing studies and reviews of the economic and revenue conditions of the state and how they affect the state's revenue. The bureau serves as executive secretariat to the Board of Revenue Estimates, which is composed of the state comptroller, state treasurer and secretary of budget and management. It prepares various reports on revenues throughout the year. The bureau is also responsible for legislative duties related to tax issues.

Compliance division

This division is responsible for business tax audits, compliance programs, delinquent tax collection, tax hearings and appeals. Additionally, the Compliance Division is responsible for administering the Uniform Disposition of Unclaimed Property Act pursuant to Title 17 of the Commercial Law Article of the Annotated Code of Maryland.

Regulation

Alcohol and tobacco tax division

This division administers laws and regulations pertaining to alcoholic beverages and tobacco. The division is responsible for regulating the manufacture, storage, transportation, sale and distribution of alcoholic beverages and cigarettes, and collects the excise tax on beer, wine, distilled spirits and cigarettes.

In fulfillment of its responsibilities, the division issues licenses and permits, maintains alcoholic beverage price filings and credit control lists, and promotes fair trade practices in accordance with the law.

The Alcoholic Beverages Divison was created in 1936, and the Cigarette Tax Unit became a part of the division in 1972. These two tax and regulatory functions were merged in 1976 to create the Alcohol and Tobacco Tax Division.

Motor fuel tax division

This division licenses and regulates motor fuel dealers (i.e., anyone bringing petroleum products into Maryland for a first sale), all motor fuel resellers and all motor fuel users with bulk storage. It registers and licenses interstate motor carriers based in Maryland under the International Fuel Tax Agreement (IFTA), and it registers petroleum transporters operating in and through Maryland.

Field enforcement division

The division works in conjunction with the Comptroller's other regulatory units to investigate and enforce revenue laws relating to alcoholic beverages, cigarettes, motor fuels, sales and use tax, and transient vendors.

In its duties, the division conducts undercover operations, arrests cigarette smugglers, prevents illegal alcoholic beverage activities, tests motor fuel, inspects transient and temporary vendors licenses, seizes sales and use tax licenses from businesses that fail to pay delinquent taxes, and coordinates security in the Comptroller's Offices.

The division also enforces the State Revenue License Laws under Title 17 of the Business Regulation Article of the Annotated Code of Maryland.

Since its inception, the Field Enforcement Division has been diligently pursuing and arresting cigarette smugglers, enforcing alcohol laws, and protecting legitimate Maryland businesses.

Financial Control

The Central Payroll Bureau oversaw the fully-successful conversion of the state's payroll system to year 2000 compliance. Over 100,000 state employees, as well as deduction vendors and tax authorities were paid without interruption.

General accounting division

The General Accounting Division sets statewide accounting policy, maintains the state's general ledger and other official accounting records, which account for all state funds; exercises overall appropriation control; audits all disbursements; approves warrants for all money paid into or out of the treasury; countersigns and distributes all vendor checks; promulgates general guidance on matters concerning internal control; prepares the state's comprehensive annual financial reports and certain other financial reports; makes certain calculations concerning the administration and distribution of revenues; and manages the contract for the audit of the state's annual financial report and all federal grants to the state.

Central payroll bureau

The Central Payroll Bureau pays biweekly salaries to all state employees of the legislative, judicial and executive branches as well as the University of Maryland System. Special payments for services of employees hired on a contractual basis are also paid through this bureau.

The Central Payroll Bureau is dedicated to providing services to state employees, agency payroll offices, and to other government entities through timely and accurate wage and other associated payments; through the provision of direct deposit services; and by the management of the deductions and payment distribution of over 165 unique payroll deductions.

DATA SERVICES

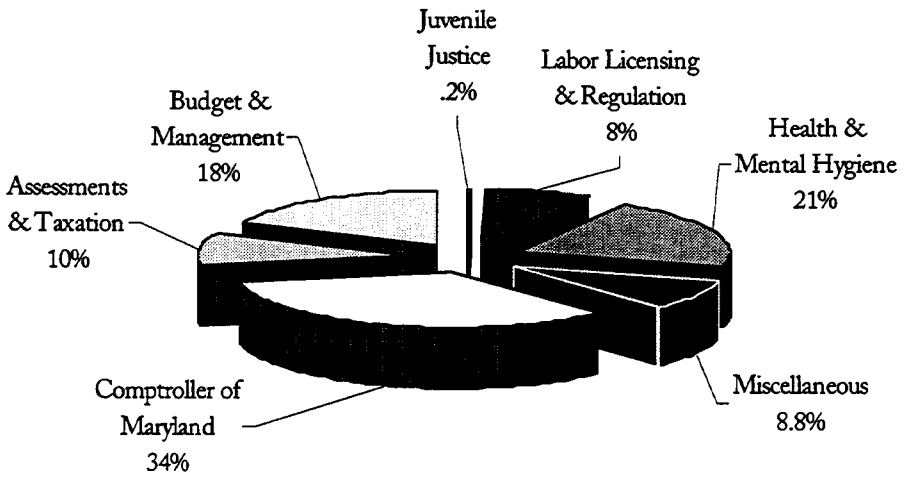
INFORMATION TECHNOLOGY DIVISION

This division provides overall management of the Comptroller's information technology efforts as well as providing support for the 24 Registers of Wills Offices.

The division also operates the Annapolis Data Center which provides mainframe computer processing for nine primary state service agencies and 15 other State agencies. Operational costs are fully reimbursed from using agencies.

In the first quarter of 2000, Gartner Group, an independent international information technology consulting firm was engaged to evaluate the operation of the Annapolis Data Center in comparison with similar-size data centers in government and industry. Their final report found that the Data Center provided better than average services for below average cost.

ANNAPOLIS DATA CENTER USER AGENCIES FISCAL YEAR 2000



In January 2000, the Information Technology Division successfully transitioned all automated systems to the new century. With the completion of the multi-year Year 2000 project, the division is moving ahead in acquiring newer technology as well as computer and storage equipment and the infrastructure required for optimum use of the Internet.

Revenues collected

by the

Comptroller's Office

REVENUES COLLECTED BY THE COMPTROLLER'S OFFICE

STATE AND LOCAL REVENUES COLLECTED BY THE COMPTROLLER'S OFFICE BY SOURCE AND FUND

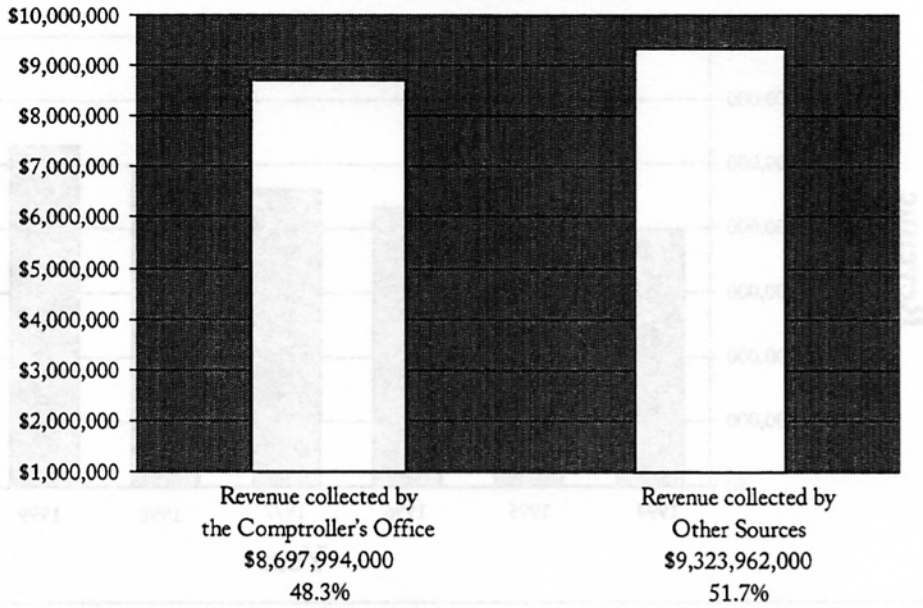
(Dollars in thousands)

The Comptroller's Office collects revenue on behalf of both the state and local governments. The $8.7 billion in state receipts collected by the Comptroller's Office in fiscal year 2000 represents 48.3 percent of the $18.0 billion in total state revenues received.

	FY 2000						
	General	State Special	Local	Total	FY 1999 Total	$ Growth	% Change
Personal Income Tax	$4,746,341	$ -	$2,802,267	$7,548,609	$6,863,719	$684,890	10.0
Corporation Income Tax	319,454	99,887	-	419,341	401,468	17,873	4.5
Sales and Use Tax	2,497,530	-	-	2,497,530	2,299,265	198,265	8.6
Motor Fuel Tax	11,275	635,205	-	646,480	680,260	(33,780)	(5.0
Alcohol Taxes	24,399	-	-	24,399	23,908	491	2.1
Tobacco Taxes	210,012	-	-	210,012	128,915	81,097	62.9
Estate Tax	77,974	-	-	77,974	59,527	18,447	31.0
Savings and Loan Association Franchise Tax	1,578	-	-	1,578	1,437	141	9.8
Admissions and Amusement Tax	-	1,122	51,070	52,192	45,917	6,275	13.7
Energy Generation Surcharge	-	9,216	-	9,216	8,406	810	9.6
Emergency Telephone System Tax	-	25,647	-	25,647	24,013	1,634	6.8
Unclaimed Property	24,311	2,194	-	26,505	37,630	(11,125)	(29.6
Telecommunications Access of Maryland	-	6,489	-	6,489	7,871	(1,382)	(17.6
Tire Recycling Fee	-	5,358	-	5,358	5,069	289	5.7
Total	$7,912,875	$785,118	$2,853,337	$11,551,330	$10,587,405	$963,925	9.1

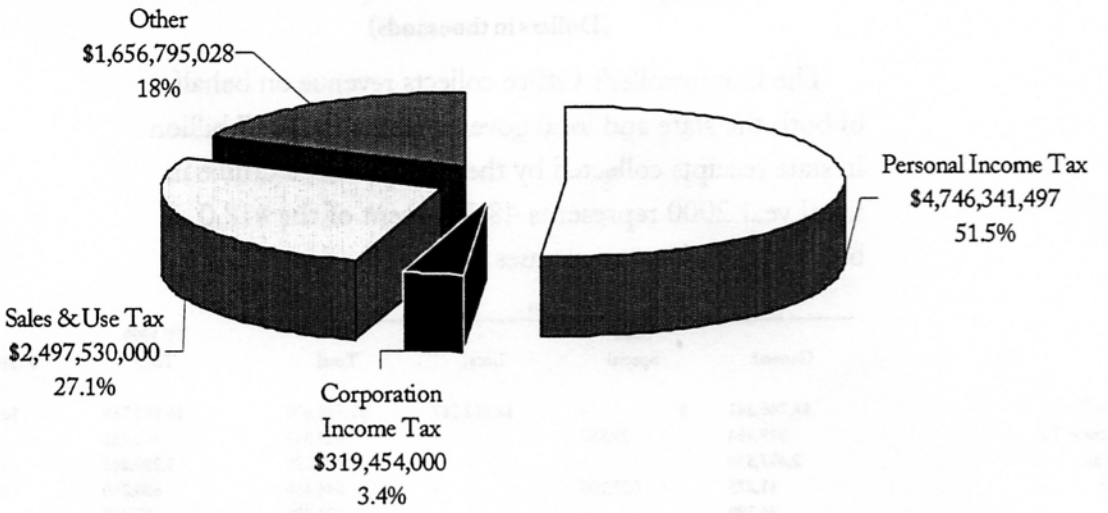
( ) denotes decrease
Detail may not add to total due to rounding

Total state revenue for fiscal year 2000



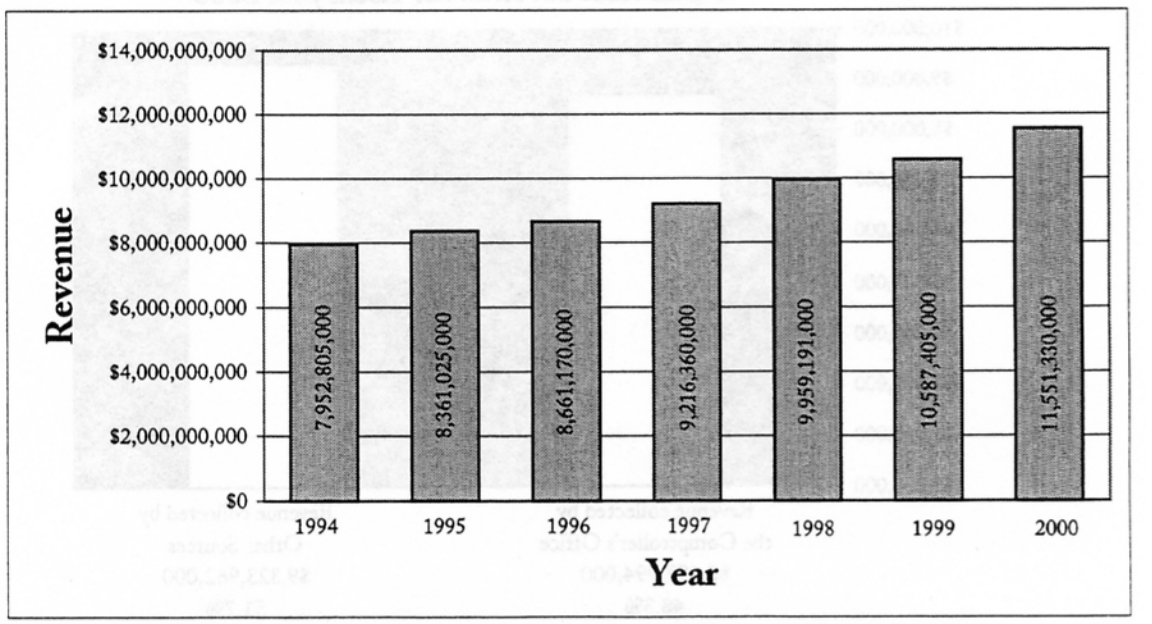
GENERAL FUND REVENUE COLLECTION

During fiscal year 2000, the Comptroller's Office collected 86 cents of every revenue dollar (exclusive of interfund transfers deposited into the state's general fund). The following chart shows the principal sources of general fund revenues.



STATE AND LOCAL REVENUE COLLECTED BY THE COMPTROLLER'S OFFICE

In fiscal year 1994, the Comptroller's Office collected $8.0 billion in state and local revenues. In fiscal year 2000, these collections amounted to $11.6 billion - a 45.2 percent increase. The following chart shows the annual growth in these collections.



Revenues Administered

Revenue Source	Rate *(As of July 1, 2000)*	Description
State Personal Income Tax	2% 1st $1,000 3% 2nd $1,000 4% 3rd $1,000 and: 4.85% on $3,001 and over	Annual tax imposed upon individuals and fiduciaries based on Maryland taxable income (federal taxable income with Maryland modifications).
Corporation Income Tax	7%	Annual tax on the entire net income of the corporation apportioned and allocated to Maryland.
County (Local) Income Tax	A minimum of 1% and a maximum of 3.05% of net taxable income	A tax imposed on resident individuals, certain nonresident individuals and fiduciaries by the 23 counties and Baltimore City. Each county sets its own rate as a percentage of net taxable income.
Sales and Use Tax	5% tax levied on bracketed rate structure	A tax imposed on the sale or use of tangible personal property and certain enumerated services.
Admissions and Amusement Tax	Maximum 10% rate	A tax imposed by counties, incorporated cities and towns on certain enumerated admissions and amusement charges.
Unclaimed Property	Actual value of property	Bank accounts, stock certificates and dividends, security deposits, payroll checks, insurance proceeds, etc., are presumed abandoned if without activity for a specified period. The property is turned over to the state by the holders.
Energy Generation Surcharge	.15 mill per kilowatt hour or $1,000 per month, whichever is less	Environmental surcharge for kilowatt hour of electric energy generated in the state; monies paid into the Environmental Trust Fund.
Emergency Telephone Systems Tax	$.10 per month paid by each subscriber; counties can charge up to an additional $.50 per subscriber per month	Created to provide grants to the counties to finance installation of a 911 system on a statewide basis and to provide grants to finance enhancements to existing systems.
Savings and Loan Association Franchise Tax	0.013%	Annual tax on the total withdrawal value of Franchise Tax deposits that a savings and loan association holds in the state on December 31.
Estate Tax	Unused federal credit	Imposed upon the transfer of a Maryland estate. Calculated as the amount by which the federal state death tax credit exceeds the total of Maryland inheritance taxes and taxes imposed by other states on property included in the Maryland estate.
Telecommunications Access	$.20 per month paid by each subscriber	A tax imposed on telephone subscribers in Maryland to provide telephone service to hearing and speech impaired citizens.
Tire Recycling Fee	$.40 per new tire	A fee imposed on each new tire. The fee applies to the first sale of a tire in Maryland which is not a sale to a wholesaler.
Alcoholic Beverages Taxes	*Per Gallon:* Distilled Spirits $1.50 Wine $.40 Beer $.09	Wholesale tax on wine and distilled spirits reported monthly based on sales to retailers. Nonresident supplier, or wholesaler who self-imports beer, remits beer tax prior to entry into state.

Revenue Source	Rate *(As of July 1, 2000)*		Description
Alcoholic Beverages Manufacturer's Licenses	Distillery	$2,000	Annual license fee imposed to operate a distillery, rectifying plant, brewery or winery; pub-brewery and micro-brewery licenses are issued to holders of Class "B" retail licenses under certain conditions.
	Rectifying Plant	$600	
	Winery	$750	
	Limited Winery	$200	
	Brewery	$1,500	
	Pub-Brewery	$500	
	Micro-Brewery	$500	
Alcoholic Beverages Wholesale Licenses	Beer, Wine, Liquor	$2,000	Annual license fee authorizes holder to receive product from licensees and holders of nonresident dealer permits and to make sale and delivery of product to businesses and permit holders in Maryland and persons outside this state.
	Wine & Liquor	$1,750	
	Beer & Wine	$1,500	
	Beer	$1,250	
	Wine	$1,250	
Alcoholic Beverages Licenses			Annual license fee imposed to dispense alcoholic beverages aboard airplanes, in rail cars, and on water vessels used for the transportation for the hire of passengers. The Statewide Caterer's License (SCAT) permits the sale and storage of alcoholic beverage to entities which operate in more than one subdivision. The SCAT license may be general or limited.
Airplane	Beer, Wine, Liquor	$200	
Railroad	Beer, Wine, Liquor	$200	
Water Vessel	Beer, Wine, Liquor	$150	
Statewide Caterer's	Beer, Wine, Liquor	$250-2,000	
Alcoholic Beverages Permits	Ranges from $2 - $500		A variety of permits are issued authorizing the sale, shipment, transport, storage and solicitation of alcoholic beverages.
Tobacco Tax	$.33 for each pack of 10 or fewer cigarettes and $.66 per pack of at least 11 and not more than 20 cigarettes. $.033 per each cigarette in packages of more than 20		Licensed Maryland cigarette wholesalers pay tax by purchasing tax stamps which they affix to all packages of cigarettes before sale at retail.
Tobacco Licenses	Manufacturer $25 Wholesaler $750 Sub-Wholesaler $500 Vendor $500 Storage Warehouse $25		Annual license fee imposed upon various dealers and handlers of cigarettes.
Motor Fuel Tax	$.235 per gallon		Tax on all gasoline used as a motor fuel.
	$.2425 per gallon		Tax on special fuels (diesel/kerosene) other than clean-burning fuels used as a motor fuel.
	$.235 per gallon		Tax on clean-burning fuels used as a motor fuel.
Aviation Fuel Tax	$.07 per gallon		Tax on motor fuel used to power aircraft not operated for common carriage or by government entities.
Motor Carrier Tax	$.2425 per gallon for special fuels (diesel/kerosene) other than clean-burning fuels. $.235 per gallon for gasoline and clean-burning fuels		Tax on motor carriers who operate commercial motor vehicles on Maryland highways.
IFTA Motor Carrier Decal Fees	$7 per vehicle (2-decal set per vehicle) Beginning 12/1/00, with the issuance of the 2001 decals, the $7 decal fee will be elimiated		Annual IFTA license and identification markers are required for all commercial motor vehicles operated by Maryland-based inter-state motor carriers in Maryland and at least one other IFTA jurisdiction.
IFTA Fuel Trip Permit	$42 per permit		Temporary 15-day permit fee in lieu of IFTA License.

PERSONAL INCOME TAX

During Fiscal Year 2000, the Comptroller's Office collected $8.6 billion in state and local income tax payments and refunded $1.1 billion to individual income taxpayers. The Comptroller's Office also collects and distributes the local income tax for Maryland subdivisions.

Table 1 reflects the gross collections and net revenues for the general fund. Table 2 displays the distribution of income tax revenue to Baltimore City, Maryland's 23 counties, and the incorporated towns, and special taxing districts within those counties.

TABLE 1
PERSONAL INCOME TAX RECEIPTS
FISCAL YEAR 2000

		Less				
	Gross Revenues	Refunds	Reserve for Subdivisions	Chesapeake Bay and Endangered Species Fund	Fair Campaign Fund	Net amount to the General Fund
Personal income tax	$7,958,449,671	$1,069,451,746	$2,780,701,143	$957,270	$114,475	$4,107,225,037
Personal estimated tax payments not claimed on returns	$77,745,827					$77,745,827
Employer withholding tax payments not claimed on returns	$531,221,639	$6,819,625				$524,402,014
Fiduciary income tax	$69,353,126	$9,276,388	$21,565,986	$585	$244	$38,509,923
Fiduciary estimated tax payments not claimed on returns	($1,947,309)					($1,947,309
Unidentified tax payments	$432,119	$26,114				$406,005
Total	$8,635,255,073	$1,085,573,873	$2,802,267,129	$957,855	$114,719	$4,746,341,497

TABLE 2

DISTRIBUTION OF LOCAL INCOME TAX RECEIPTS
FISCAL YEAR 2000

(Dollars in Thousands)

County	Distribution to Cities & Towns	Distributions to Counties	Total Distributions
Allegany	$ 2,403	$ 16,678	$ 19,081
Anne Arundel	3,543	245,521	249,064
Baltimore	0	404,413	404,413
Calvert	357	31,212	31,569
Caroline	595	7,630	8,225
Carroll	3,130	64,058	67,188
Cecil	1,521	27,168	28,689
Charles	835	45,747	46,582
Dorchester	683	6,959	7,642
Frederick	5,359	78,723	84,082
Garrett	344	6,293	6,637
Harford	2,223	88,420	90,643
Howard	0	149,691	149,691
Kent	458	6,439	6,897
Montgomery	20,204	761,149	781,353
Prince George's	13,974	287,213	301,187
Queen Anne's	351	18,981	19,332
St. Mary's	229	33,605	33,834
Somerset	193	4,374	4,567
Talbot	1,337	12,166	13,503
Washington	2,406	38,431	40,837
Wicomico	1,991	27,914	29,905
Worcester	1,028	6,224	7,252
Baltimore City	0	147,107	147,107
Total	$ 63,164	$ 2,516,116	$ 2,579,280

CORPORATION INCOME TAX

During fiscal year 2000, the Revenue Administration Division collected $419.3 million in corporation income tax revenues. The revenues from Maryland's corporation income tax are allocated between the general fund and various transportation programs on the basis of a complex formula. The following table lists the revenues that were distributed to each of the various funds during fiscal year 2000.

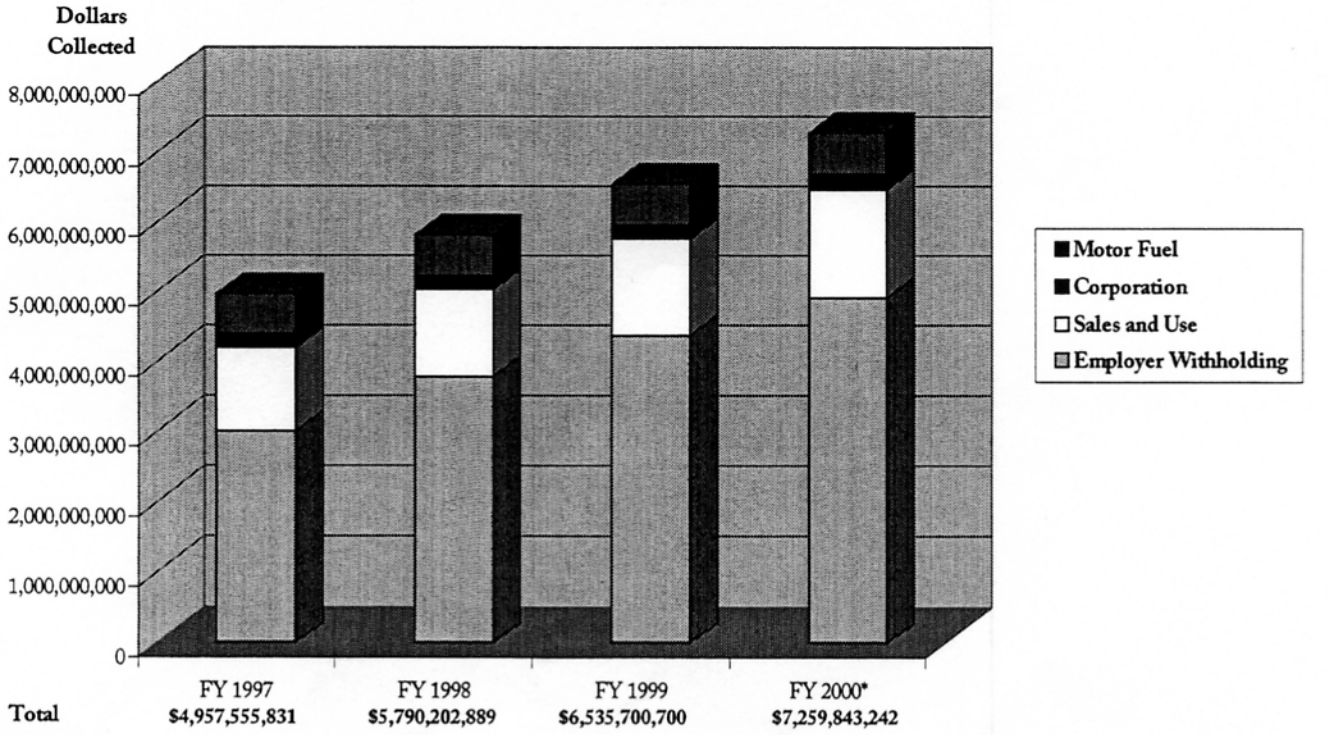
ALLOCATION OF CORPORATION INCOME TAX RECEIPTS

(Dollars in Thousands)

General Fund		$319,454
Special Funds:		$99,887
Transportation Trust Fund	$44,930	
Gasoline and Motor Vehicle Revenue Account	$54,957	
Total		$419,341

Revenues from the gasoline and motor vehicle revenue account are distributed among the Department of Transportation and local governments as specified in Sections 8-402 and 8-403 of the Transportation Article.

TAXES PAID BY ELECTRONIC FUNDS TRANSFER



	FY 1997	FY 1998	FY 1999	FY 2000*
Total	$4,957,555,831	$5,790,202,889	$6,535,700,700	$7,259,843,242

*** 63% of tax collected by the Comptroller's Office**

Note: This report represents ACH payments received and processed during the period July through June each fiscal year. It does not intend to represent reported fiscal year receipts for each tax type.

Sales and use tax

During fiscal year 2000, the Comptroller's Office collected $2.5 billion in net sales and use tax receipts. Tax collections totalled $2.52 billion, and refunds totalled $23.5 million.

The taxable food and beverage group produced the largest amount of revenue ($486.8 million), followed by the general merchandise group ($455.6 million). The building and industrial category produced the third largest amount ($339.8 million).

Among the state's geographic regions, Baltimore County generated the most revenue ($388.4 million), followed by Montgomery County ($343.6 million), Prince George's County ($285.2 million), Baltimore City ($238.1 million), and Anne Arundel County ($217.3 million).

Table 3 represents a two year comparison of sales and use tax revenue by county. Table 4 presents sales and use tax collections by county and principal type of business for fiscal year 2000.

TABLE 3

SALES AND USE TAX RECEIPTS BY COUNTY

(Dollars in Thousands)

	F.Y. 2000	F.Y. 1999	% Change	% of FY 2000 Total
Allegany	$ 31,597	$ 30,251	4.45	1.25
Anne Arundel	217,271	192,465	12.89	8.62
Baltimore	388,371	350,843	10.70	15.41
Calvert	18,437	17,970	2.60	0.73
Caroline	4,231	3,999	5.81	0.17
Carroll	48,280	44,859	7.63	1.92
Cecil	21,836	21,001	3.98	0.87
Charles	59,447	52,625	12.96	2.36
Dorchester	8,910	8,442	5.55	0.35
Frederick	81,959	71,327	14.91	3.25
Garrett	9,685	8,793	10.14	0.38
Harford	74,570	65,957	13.06	2.96
Howard	109,084	97,963	11.35	4.33
Kent	6,414	6,040	6.19	0.25
Montgomery	343,580	327,413	4.94	13.63
Prince George's	285,159	274,472	3.89	11.31
Queen Anne's	13,885	13,014	6.69	0.55
St. Mary's	27,931	24,396	14.49	1.11
Somerset	2,690	2,802	(4.01)	0.11
Talbot	23,904	22,217	7.59	0.95
Washington	58,248	52,968	9.97	2.31
Wicomico	48,988	42,740	14.62	1.94
Worcester	46,554	42,393	9.82	1.85
Baltimore City	238,121	224,431	6.10	9.45
District of Columbia	26,290	23,372	12.48	1.04
Other/Out-of-State Vendors	325,560	293,044	11.10	12.91
Total Gross Receipts	$ 2,521,001	$ 2,315,797	8.86	100.00
Less Refunds	(23,454)	-16,532	41.87	
Total Net Receipts	$ 2,497,547	$ 2,299,265	8.62	

Notes: Detail may not add to total due to rounding.
County-specific sales tax data for FY98 may not be comparable to prior years due to changes in the allocation methodology.

TABLE 4

SALES AND USE TAX GROSS RECEIPTS BY COUNTY AND PRINCIPAL TYPE OF BUSINESS FOR F.Y. 2000

(Dollars in Thousands)

County	Food & Beverage	Apparel	General Merchandise	Automotive	Furniture & Appliances
Allegany	$ 6,895	$ 990	$ 8,807	$ 1,815	$ 3,028
Anne Arundel	56,308	11,571	42,402	21,343	21,901
Baltimore	77,057	23,067	78,966	27,522	48,170
Calvert	4,794	371	4,651	1,178	870
Caroline	1,465	48	254	594	194
Carroll	10,355	908	12,945	4,042	3,334
Cecil	7,054	1,264	5,312	2,318	561
Charles	12,500	3,921	14,039	4,833	4,254
Dorchester	2,137	109	3,265	560	341
Frederick	16,970	2,480	17,061	5,665	5,995
Garrett	2,735	55	1,463	1,073	419
Harford	18,149	2,043	19,945	9,063	5,340
Howard	24,153	5,517	19,550	7,545	16,538
Kent	1,794	128	606	606	231
Montgomery	71,270	24,660	67,113	25,984	50,202
Prince George's	56,385	16,385	62,532	26,530	31,487
Queen Anne's	4,060	1,790	2,141	1,273	831
St. Mary's	6,885	344	8,132	3,403	1,888
Somerset	1,267	0	266	239	150
Talbot	5,015	544	5,395	1,908	1,159
Washington	11,810	3,714	13,409	4,375	5,617
Wicomico	7,676	1,775	13,843	3,684	4,881
Worcester	17,756	2,095	7,955	1,622	1,616
Baltimore City	55,754	11,251	16,677	15,397	21,159
District of Columbia	331	63	3,571	49	1,638
Other-Out-Of-State Vendors	6,198	6,261	25,351	6,426	96,352
Total	$ 486,772	$ 121,352	$ 455,649	$ 179,047	$ 328,156

Notes: Detail may not add to total due to rounding.

County-specific sales tax data for FY98 may not be comparable to prior years due to changes in the allocation methodology.

TABLE 4

SALES AND USE TAX GROSS RECEIPTS BY COUNTY AND PRINCIPAL TYPE OF BUSINESS FOR F.Y. 2000

Dollars in thousands

Building & Industrial Supplies	Utilities & Transportation	Hardware, Machinery & Equipment	Miscellaneous	Assessment Collections	Total Collections
$ 4,631	$ 2,135	$ 778	$ 2,327	$ 175	$ 31,579
23,578	6,322	6,824	25,566	1,455	217,271
46,396	38,618	7,659	38,575	2,342	388,371
2,338	1,449	1,005	1,500	281	18,437
476	374	168	577	83	4,231
7,675	2,340	2,118	4,406	158	48,280
2,514	46	547	2,100	119	21,836
10,754	2,685	1,153	4,951	357	59,447
743	816	339	561	39	8,910
17,787	4,286	2,656	8,583	477	81,959
1,484	485	345	1,476	150	9,685
10,507	695	1,772	6,794	262	74,570
11,426	3,869	3,567	16,222	698	109,084
1,205	664	294	856	29	6,414
32,736	19,143	7,132	43,484	1,855	343,580
41,620	13,844	6,799	27,962	1,615	285,159
1,100	821	412	1,428	29	13,885
3,102	1,496	643	1,814	224	27,931
112	152	62	414	27	2,690
3,816	2,615	846	2,557	50	23,904
7,605	1,934	1,471	7,002	1,313	58,248
5,959	4,388	1,983	4,688	111	48,988
2,494	1,073	842	10,866	234	46,554
30,229	43,431	7,319	35,893	1,010	238,121
4,385	9,803	571	5,238	642	26,290
65,093	30,290	14,975	71,603	3,011	325,560
$ 339,764	$ 193,773	$ 72,282	$ 327,442	$ 16,747	$ 2,520,984

ADMISSIONS AND AMUSEMENT TAX

The Comptroller's Office is responsible for administering, collecting, and distributing the admissions and amusement tax revenues to the counties and incorporated cities and towns in Maryland. The table below lists the net receipts and amounts distributed to counties (including municipalities within the counties) for fiscal year 2000.

TABLE 5

ADMISSIONS AND AMUSEMENT TAX RECEIPTS AND DISTRIBUTIONS

(Dollars in Thousands)

County	Net Receipts	Administrative Expense	Total Distributed
Allegany	$ 310	$ 7	$ 303
Anne Arundel	4,535	102	4,433
Baltimore	7,400	163	7,237
Calvert	26	1	25
Caroline	2	*	2
Carroll	956	18	938
Cecil	304	6	298
Charles	719	17	702
Dorchester	38	1	37
Frederick	1,060	22	1,038
Garrett	361	8	353
Harford	488	11	477
Howard	1,664	35	1,629
Kent	97	2	95
Montgomery	4,876	108	4,768
Prince George's	12,627	257	12,370
Queen Anne's	275	6	269
St. Mary's	87	2	85
Somerset	24	*	24
Talbot	104	2	102
Washington	509	11	498
Wicomico	358	6	352
Worcester	1,274	25	1,249
Baltimore City	7,414	164	7,250
Md.Stadium Authority	6,684	148	6,536
Total	$ 52,192	$ 1,122	$ 51,070

* Denotes less than $ 500

Detail may not add to total due to rounding

UNCLAIMED PROPERTY RECEIPTS

The Comptroller's Office administers the Uniform Disposition of Unclaimed Property Act. It is responsible for the care, custody, and control of all tangible property presumed abandoned or unclaimed.

The value of the property may be claimed by its rightful owner at any time subsequent to this distribution. The table below presents an analysis of collections and distributions of unclaimed property receipts during fiscal year 2000.

TABLE 6

UNCLAIMED PROPERTY RECEIPTS AND DISTRIBUTIONS

(Dollars in Thousands)

Sources of Net Revenues from Miscellaneous Unclaimed Property:

Life Insurance	$	1,485
Other Insurance		2,407
Public Utilities		88
Corporations		14,094
Fiduciaries, Trustees and Other		2,065
Government Agencies		1,877
Banks and Financial Organizations		4,489
Other		
Total Net Revenues	$	26,505

Allocation of Net Revenues:

Administrative Expenses	$	1,694
Distributed to Maryland Legal Services Corporation		500
Transferred to General Fund		24,311
Total Net Revenues	$	26,505

ALCOHOL AND TOBACCO TAXES

During fiscal year 2000, the Comptroller's Office collected $235.3 million in alcohol and tobacco tax revenues for the state General Fund.

Table 7 presents a two-year comparison of alcohol and tobacco tax revenue.

TABLE 7
COMPARISON OF ALCOHOL AND TOBACCO TAX REVENUE
(Dollars in Thousands)

	FY 2000		FY 1999	% Change
Distilled Spirits Tax	$ 11,465		$ 11,157	2.76
Wine Tax	4,116		3,906	5.37
Beer Tax	8,818		8,845	(0.30)
Tobacco Tax	210,012	*	128,915	62.91
Other Receipts	877		773	13.45
Total Net Receipts	$ 235,288		$ 153,595	53.19

( ) denotes decrease

* Includes floor tax collected due to increase in cigarette tax from $.33 to $.66 per pack effective July 1, 1999.

MOTOR FUEL TAXES

During fiscal year 2000, the Comptroller's Office collected $646.5 million in motor fuel tax revenues. Table 8 presents a two-year comparision of motor fuel tax receipts.

TABLE 8
MOTOR FUEL TAX RECEIPTS
(Dollars in Thousands)

	FY 2000	FY 1999	% Change
Dealer Receipts	$ 543,043	$ 576,715	(5.84)
Special Fuels Receipts	104,135	100,781	3.33
Sellers of Jet & Aviation Fuel	1,199	1,599	(25.02)
Motor Carrier Temporary Permits	97	93	4.30
Miscellaneous Revenues	176	240	(26.67)
Refunds	(11,222)	(8,055)	-
Net Revenues Subtotal	$ 637,428	$ 671,373	(5.06)
IFTA Collections	14,797	14,298	3.49
IFTA Refunds	(5,745)	(5,411)	-
Net Revenues	$ 646,480	$ 680,260	(4.97)

( ) denotes decrease

Net motor fuel tax revenues are distributed among the general fund and selected special funds on the basis of a statutory formula. The following table presents the revenues that were distributed to each of the various funds during fiscal year 2000.

TABLE 9
DISTRIBUTION OF MOTOR FUEL TAX REVENUE
(Dollars in Thousands)

Administrative Expenses		$ 5,713
Waterways Improvement Fund		1,471
Fisheries Research and Development Fund		1,471
General Fund for Chesapeake Bay Related Programs		11,275
Gasoline and Motor Vehicle Revenue Account of the Transportation Trust Fund		625,774
Counties, Baltimore City, and Municipalities (30%)	$ 187,732	
Department of Transportation (70%)	438,042	
Transportation Trust Fund (Aviation)		777
Total		$ 646,480

Detail may not add to total due to rounding.

GROSS MOTOR FUEL GALLONAGE & REVENUE STATEMENT

TABLE 10

GROSS MOTOR FUEL GALLONAGE & REVENUE STATEMENT
FOR THE FISCAL YEAR ENDING JUNE 30, 2000

		Actual Gallons
Gross Gallons Reported		2,787,289,974
Less Adjustments:		
Temperature & stock adjustments	(15,722,022)	
Federal exempt purchases	(2,237,793)	
Cost of collection allowance	(27,970,440)	
Less total adjustments		(45,930,255)
Total taxable motor fuel gallons:		2,741,359,719

	Actual Gallons	Revenue
Total motor vehicle fuel dealers	2,313,717,224	$ 543,042,831 **
Total special fuel	427,642,495	104,135,147 **
Total gasohol	0	0
Total taxable gallons sold:	2,741,359,719	$ 647,177,978
Sellers of jet fuel and aviation	17,129,974	1,199,098
Motor carrier collections:		
Motor carrier permits	$ 96,600	
Motor carrier registration fees *		
Motor carrier road tax *		
IFTA Taxes- MD based carriers	2,066,357	
IFTA Taxes- From other jurisdictions	12,317,391	
IFTA Tax assessments	147,950	
IFTA registration fees	265,596	
Total motor carrier collections		14,893,894
Penalties and interest		176,449
Dishonored check fee		0
Canadian exchange		0
Total gross revenue		$ 663,447,419

* Replaced by IFTA
**Modified accrual basis of accounting

Other Revenues Collected

Energy generation surcharge

The Comptroller's Office also collects and distributes to the Environmental Trust Fund revenue collected from the energy generation surcharge. This revenue is used to fund the Department of Natural Resources' Power Plant and Environmental Review Division and the Chesapeake Bay Research and Monitoring Division. During fiscal year 2000, $9.2 million was collected from this revenue source.

Emergency telephone system tax

The Comptroller's Office collects the emergency telephone system tax. This revenue is used to fund local emergency 911 telephone systems. During fiscal year 2000, $25.6 million was collected from this revenue source.

Telecommunications access of Maryland

The Comptroller's Office collects the telecommunication access of Maryland tax. This revenue is used to provide telephone service to the hearing and speech impaired citizens of Maryland. During fiscal year 2000, $6.5 million was collected from this revenue source.

Tire recycling fee

The Comptroller's Office is responsible for collecting the tire recycling fee. The proceeds go to a special fund administered by the Department of Environment for scrap tire removal and recycling. During fiscal year 2000, $5.4 million was collected from this revenue source.

Customer choice for electricity came to Marylanders on July 1, 2000, and the Office of the Comptroller worked closely with the Maryland Public Service Commission to provide information to the citizens of Maryland to help them decide which energy choices are best for them.

Estate tax

The Comptroller's Office collects the estate tax from the executors and administrators of Maryland-situs estates. During fiscal year 2000, $78.0 million was collected from this source and deposited into the general fund.

Savings and loan association franchise tax

The Comptroller's Office also collects the franchise tax on shares of savings and loan associations. This annual tax is levied at the rate of 0.013% of the total withdrawal value of the deposits that a savings and loan association holds in Maryland. During fiscal year 2000, $1.4 million was collected from this tax for deposit into the general fund.

Legislation Enacted in 2000

Income Tax

SB56 (Chapter 225). Eliminates the Financial Institutions Franchise Tax and the Saving and Loan Association Franchise Tax for taxable years beginning after December 31, 2000. The income of a financial institution that was subject to the franchise tax will be subject to the income tax.

SB86 (Chapter 501). Expands the tax credits for businesses that create new jobs by reducing the number of individuals that must be employed by a business in new, permanent, full-time positions from 25 to 10 if the county has a population of less than 30,000. *Effective July 1, 2000.*

SB171 (Chapter 242). Permits an individual to claim a credit against the state income tax in an amount equal to 100% of the eligible long-term care premiums paid by the individual during the taxable year for long-term care insurance covering the individual or the individual's spouse, parent, stepparent, child or step child. "Eligible long-term care insurance premiums" has the same meaning as in §213(d)(10) of the *Internal Revenue Code*.

The credit may not exceed $500 for each insured, may not be claimed by more than one taxpayer for the same insured individual, and may not be claimed for an insured individual if the insured individual was covered by long-term care insurance at any time before July 1, 2000 or the credit has been claimed for that insured individual by any taxpayer for any prior taxable year. *Effective July 1, 2000, for taxable years beginning after December 31, 1999.*

SB240 (Chapter 510). Accelerates the phase in of the applicable percentage of the federal earned income credit for purposes of the state's refundable earned income credit from 12.5% to 15% for taxable years beginning after December 31, 1999. This legislation also provides authorization for a county, including Baltimore City, to provide by law a refundable county earned income credit. *Effective July 1, 2000.*

SB244 and HB310 (Chapters 357 and 356). Expands the current credit for costs of providing commuter benefits to employees who travel to or from a location in Maryland to include a cash-in-lieu of parking program and a guaranteed ride home. An organization that is exempt from taxation under §501(c)(3) or (4) of the Internal Revenue Code may also apply the credit against the payment to the Comptroller of state income taxes that the organization withholds from the wages of employees. *Effective July 1, 2000, for taxable years beginning after December 31, 2000.*

SB309 and HB14 (Chapters 515 and 516). Creates a new credit against the State income tax for certain qualified research and development expenses. The credit is available to both individuals and corporations.

The credit is equal to 3% of qualified research and development expenses up to a certain base amount and 10% of the amount by which qualified research and development expenses exceed the base amount. In order to qualify for the credit, a taxpayer must submit an application to the Department of Business and Economic Development by September 15 of the year following the tax year in which the expenses were incurred. Approved credits cannot exceed $3 million in the aggregate for each of the 3% and the 10% credits. To claim the approved tax credits, the taxpayer must file an amended income tax return for the taxable year in which the research and development expense was incurred.

The bill provides an addition modification for individuals for the amount of any credit claimed. *Effective July 1, 2000 for a six year period.*

SB316 (Chapter 517). Increases the current subtraction modification for adoption expenses from $3,000 to $6,000 for the adoption of a child with a special need and from $2,000 to $5,000 for the adoption of a child without a special need. *Effective July 1, 2000, for taxable years beginning after December 31, 1999.*

SB335 (Chapter 520). Modifies the existing credit for expenses paid by an individual for the care of a qualifying dependent for taxable years beginning after December 31, 2000 in several ways. The credit will be equal to the lesser of 32.5% (increased from 25%) of the federal child and dependent care credit or the state income tax for the taxable year. To be eligible, an individual's federal adjusted gross income for the taxable year may not exceed $50,000 (increased from $40,000) or $25,000 (increased from $20,000) for a married individual filing a separate return.

The credit is phased out for individuals with federal adjusted gross income between $40,000 and $50,000 (increased from $30,000 and $40,000). For a married individual filing a separate return, the credit is phased out for federal adjusted income between $20,000 and $25,000 (increased from $15,000 and $20,000). *Effective July 1, 2000.*

SB348 (Chapter 265). Extends the time within which an individual may purchase a home in a designated neighborhood and be eligible for the Neighborhood Stabilization Credit from June 30, 2001 to June 30, 2002. The bill also authorizes Baltimore County to designate a second geographic area that must contain between 2,000 and 2,400 single-family dwellings. *Effective effect June 1, 2000, for taxable years beginning after December 31, 2000.*

SB401 (Chapter 524). Provides a definition of "Employee Retirement System" for purposes of the current pension exclusion. An "Employee Retirement System" does not include: (1) an Individual Retirement Account or Annuity under §408 of the Internal Revenue Code; (2) a Roth IRA under §408(a) of the Internal Revenue Code; (3) a rollover IRA; (4) a Simplified Employee Pension under §408(k) of the Internal Revenue Code; or (5) an ineligible deferred compensation plan under Section 457(f) of the Internal Revenue Code. *Effective July 1, 2000, for all taxable years beginning after December 31, 1999.*

SB414 (Chapter 526). Expands the credit for 60% of property taxes paid by a public utility on its operating real property, other than operating land, in the State used to electricity for sale to include property used to generate steam for sale. *Effective October 1, 2000, for property tax paid for a property tax year beginning on or after July 1, 2001.*

SB670 and HB20 (Chapters 295 and 296). This provision created two new income tax credits. The first credit may be applied against the individual or corporation income tax for the cost of solar water heating property or photovoltaic property placed in service during the taxable year. The credit allowed is equal to 15% of the total installed cost, but may not exceed $2,000 for each system for photovoltaic property and $1,000 for each system for solar water heating property. The credit may not be claimed for property placed in service before July 1, 2000 or after December 31, 2004. *Effective July 1, 2000, for taxable years beginning after December 31, 1999.*

The second credit may be claimed by an individual or a corporation against the state income tax for the taxable year in an amount equal to 0.85 cents for each kilowatt hour of electricity produced by the individual or corporation from qualified energy resources at a qualified Maryland facility during the 10-year period beginning on the date the facility was originally

placed in service. In the case of a facility that is co-fired with coal, the 10-year period begins on the date of the initial co-firing. The electricity must be sold by the individual or corporation to a non-related person. If the electricity is produced from a qualified energy resource that is co-fired at a facility that produces electricity from coal, then the credit is 0.5 cents for each kilowatt hour of electricity produced. *Effective July 1, 2000, for taxable years beginning after December 31, 2000.*

HB11 (Chapter 494). Renames the Maryland Higher Education Investment Program to the Maryland Prepaid College Trust and the Higher Education Investment Contract to Prepaid Contract. The legislation also established the Maryland College Investment Plan. The purpose of the plan is to allow contributions to an investment account established to meet the qualified higher education expenses of a qualified designated beneficiary of the account. Both residents and nonresidents of Maryland may participate in and benefit from the plan. The existing addition and subtraction modifications applicable to the Maryland Prepaid College Trust were amended to include the Maryland College Investment Plan.

Effective July 1, 2000, for all prepaid contracts purchased before and after the effective date. The addition and subtraction modifications are applicable to all taxable years beginning after December 31, 2000.

HB729 – (Chapter 700). Modifies the current credit for Maryland-mined coal that a cogenerator may claim against the State income tax by repealing the limitation to coal purchases exceeding that purchased in calendar year 1986. Extends the availability of the credit to an electricity supplier that is not subject to the Public Service Company Franchise Tax or that, before July 1, 1999, was not an electric company as defined in the Public Utilities Companies Article as in effect on June 30, 1999, unless the electricity supplier is an affiliate of such electric company. The legislation also repealed the termination date for this credit. *Effective July 1, 2000 for taxable years beginning after December 31, 2000.*

HB918 (Chapter 653). Expands the current Neighborhood Stabilization credit by authorizing the governing body of Montgomery County to grant up to a total of 1,500 dwelling units as eligible for a property tax credit against the county property tax imposed on owner-occupied, residential real property that is purchased from July 1, 2000 through June 30, 2002, in specific geographical areas of Montgomery County. During the year prior to purchasing the property, the individual's principal residence may not have been located in the designated geographic area unless the individual was not an owner of the property.

The property tax credit is equal to the following percentages of the property tax:

(1) 40% for each of the first 5 taxable years after the purchase of the real property;
(2) 35% for the 6th taxable year;
(3) 30% for the 7th taxable year;
(4) 25% for the 8th taxable year;
(5) 20% for the 9th taxable year;
(6) 15% for the 10th taxable year; and
(7) 0% for each taxable year thereafter.

An individual must apply for the property tax credit within 6 months after title to the residential real property has been transferred to the individual.

An individual who qualifies for the property tax credit is eligible for an income tax credit against the state income tax. The income tax credit is equal to the amount of the property tax credit granted.

Effective June 1, 2000, for taxable years for income tax purposes beginning after December 31, 2000.

HB1009 (Chapter 662). Expands the current Neighborhood Stabilization credit by authorizing the governing body of Prince George's County to grant a property tax credit against the county property tax imposed on owner-occupied, residential real property that is purchased from July 1, 2000, through June 30, 2002, in two specific geographical areas of Prince George's County. During the year prior to purchas-

ing the property, the individual's principal residence may not have been located in the designated geographic area unless the individual was not an owner of the property.

The property tax credit is equal to the following percentages of the property tax:

(1) 40% for each of the first 5 taxable years after the purchase of the real property;
(2) 35% for the 6th taxable year;
(3) 30% for the 7th taxable year;
(4) 25% for the 8th taxable year;
(5) 20% for the 9th taxable year;
(6) 15% for the 10th taxable year; and
(7) 0% for each taxable year thereafter.

An individual must apply for the property tax credit within 6 months after title to the residential real property has been transferred to the individual.

An individual who qualifies for the property tax credit is eligible for an income tax credit against the state income tax. The income tax credit is equal to the amount of the property tax credit granted.

Effective June 1, 2000, for taxable years for income tax purposes beginning after December 31, 2000.

HB1015 (Chapter 448). Modifies the current credits for hiring qualified employment opportunity employees and qualified employees with disabilities. First, the definition of a qualified employment opportunity employee is changed to an individual who is a resident of Maryland and who, for any of 3 months during 18-month period before the individual's employment, was a recipient of temporary cash assistance from the state under the Aid to Families with Dependent Children Program or the Family Investment Program and for 6 months before employment was a Maryland resident. Previously, only 3 months of receiving temporary cash assistance was required.

The bill also provides that a qualified employee with a disability includes certain individuals who have been discharged or released from active duty in the armed forces of the United States for a service-connected disability. In addition, the bill increased the amount of the available credit from 20% to 30% of up to the first $6,000 of wages paid to the qualified employee with a disability during the first year of employment.

The termination date for these credits is extended from December 31, 2002 to June 30, 2003. *Effective July 1, 2000, for employees hired on or after July 1, 2000.*

HB1103 (Chapter 665). Provides for a new subtraction modification against the individual and corporate income tax for 100% of the expenses incurred to buy and install handrails in an existing elevator in a health care facility or other building in which at least 50% of the space is used for medical purposes. *Effective July 1, 2000 for taxable years beginning after December 31, 1999.*

HB1301 (Chapter 185). Authorizes the Maryland Stadium Authority to provide for the development of the Hippodrome Performing Arts Center in Baltimore City. The Authority or Authority affiliate may transfer to any business entity or individual any credit for qualified rehabilitation expenditures (Qualified Rehabilitation Tax Credit) of the Authority or Authority affiliate. The bill also creates a subtraction modification for individuals and corporations for any amount received by an individual or corporation that is an Authority affiliate in consideration of the transfer of the Qualified Rehabilitation Tax Credit. *Effective July 1, 2000.*

HB1303 (Chapter 472). Reduces the number of months of active membership required in a bona fide Maryland volunteer fire, rescue, or emergency medical services organization for purposes of the current subtraction of $3,500. The reduction is phased in over 4 years. To qualify, an individual will have to be an active member of an organization during the last 10 calendar years by December 31 of the taxable year for at least:

(1) 72 months after December 31, 1999;
(2) 60 months after December 31, 2000;
(3) 48 months after December 31, 2001; and
(4) 36 months after December 31, 2002.

This bill does not change the requirement that an individual be an active member of the United States Coast Guard Auxiliary during the last 10 calendar years by December 31 of the taxable year for at least 72 months to qualify for the subtraction. *Effective July 1, 2000, for taxable years beginning after December 31, 1999.*

Sales and Use Tax

SB103/HB170 (Chapters 577 and 576). Exempts from the sales and use tax sales of clothing or footwear (excluding accessories) that are priced at less than $100 during the week of August 10, 2001 through August 16, 2001. *Effective July 1, 2000.*

SB670 (Chapter 295). In addition to the income tax provisions, this bill exempts from the sales and use tax certain appliances that meet or exceed certain energy efficiency guidelines and for certain energy efficient heating and cooling equipment. *Effective July 1, 2000 for appliances purchased as follows:*

- Clothes washers - July 1, 2000 through June 30, 2003
- Room air conditioners – January 1, 2001 through June 30, 2004
- Refrigerators – July 1, 2001 through June 30, 2004
- Fuel cells – on or before July 1, 2004
- Natural gas or electric heat pumps – on or before July 1, 2004
- Central air conditioners – on or before July 1, 2004
- Advanced natural gas water heaters - on or before July 1, 2004

SB774 (Chapter 86). Exempts from the sales and use tax the sale of certain prisoner of war and missing in action flags. *Effective July 1, 2000.*

HB394 (Chapter 595) . Exempts merchandise sold through a bulk vending machine from the sales and use tax if the cost is 25 cents or less. Bulk vending machines contain unsorted merchandise that is dispensed in approximately equal amounts at random without selection by the customer. *Effective July 1, 2000.*

HB794 (Chapter 12). Exempts from the sales and use tax the sale of machinery and equipment that enables a television or radio station to originate and broadcast or to receive and broadcast digital signals. This exemption is permitted only for sales from January 1, 2000 through December 31, 2007.

HB926 (Chapter 432). Permits an exemption for the sale of certain property or a taxable service used directly in connection with a film production activity by a film producer or production company. The film producer or production company must first receive certification for the exemption from the Maryland Department of Business and Economic Development. *Effective on July 1, 2000.*

HB981 (Chapter 443). Exempts the sales of fuel or a repair part for a vessel used for commercial purposes from the sales and use tax. *Effective on July 1, 2000, and extends to any application for revision or refund of an assessment pending on July 1, 2000, a case pending on July 1, 2000,involving an assessment, and any audit pending on July 1, 2000, or started after July 1, 2000, for any period before July 1, 2000.*

Alcohol and Tobacco Tax

SB6 (Chapter 220). Prohibits the purchase from tobacco product manufacturers and the sale, dispensing, distribution, and giving away of cigarettes in packages of less than 20 cigarettes. *Effective October 1, 2000.*

SB271 (Chapter 247). Prohibits the sale or dispensing of a tobacco product by means of a vending machine unless the vending machine: (1) is located in an establishment that minors are prohibited by law from entering; (2) is located in an establishment that is a bona fide fraternal or veterans organization; or (3) can only be operated with a token, card, or similar device that an individual can only obtain or purchase from the owner or an employee of the establishment. *Effective January 1, 2001.*

SB757 (Chapter 85). Expands the definition of beer to include hard cider. *Effective October 1, 2000.*

HB414 (Chapter 598). Creates a winery special event permit which allows the holder to provide samples and sell by the glass or bottle wine produced by the licensee to consumers at special events throughout the state. *Effective October 1, 2000.*

HB513 (Chapter 613). Increases the value of a sign that a brewer, nonresident dealer, or beer wholesaler may furnish to a retail license holder from $50 to $150. *Effective October 1, 2000.*

Motor Fuel Tax

SB 59 (Chapter 36). Repeals the $7 charge for each motor carrier identification marker. The International Fuel Tax Agreement (IFTA) decal fee will be eliminated when decals are issued for the 2001 IFTA registration year. *Effective January 1, 2001.*

SB 354 (Chapter 521). Extends to October 1, 2004, a conditional prohibition on the Comptroller of Maryland from issuing a certificate of registration to a retail service station dealer who markets motor fuel through a retail service station that has been altered, enlarged, or structurally modified after July 1, 1977 but before October 1, 2000. The bill also changes the date after which any motor fuel producer, refiner, of wholesaler who supplies retail service station dealers must extend voluntary allowances uniformly to all dealers to September 30, 2004. *Effective October 1, 2000.*

HB 151 (Chapter 105). Expands the opportunity for major gasoline suppliers to qualify for a Class A gasoline dealer license. An applicant may qualify for the license if the applicant is owned by a parent company that would otherwise qualify for the license. This bill will facilitate the sale of quality gasoline in Maryland by reputable companies. *Effective October 1, 2000.*

Estates and Trusts

SB1 (Chapter 497). Exempts direct beneficiaries, beneficiaries that are brothers and sisters of the decedent, and the sons- or daughters-in-law of the decedent from the inheritance tax. *Effective for decedents dying on or after July 1, 2000.*

Tire Recycling Fee

SB136 (Chapter 235). This Act reduces the maximum allowable tire recycling fee from $1.00 to $.40 per tire, reduces the Tire Cleanup and Recycling Fund limit to a maximum of $10 million (from a maximum of $15 million), and extends the fee through fiscal year 2004. *Effective July 1, 2000.*

Admissions and Amusement Tax

Contact:
Admissions and Amusement Tax
Revenue Administration Division
301 West Preston Street
Baltimore, Maryland 21201-2383

Or Call:
In the Baltimore area 410-767-1300
Toll-free in Maryland 1-800-492-1751
FAX 410-767-1571
e-mail - taxhelp@comp.state.md.us

Alcohol and Tobacco Tax

Contact:
Alcohol and Tobacco Tax Division
Room 310
P.O. Box 2999
Louis L. Goldstein Treasury Building
Annapolis, Maryland 21404-2999

Or Call:
Central Maryland 410-260-7314
Toll-free in Maryland 1-888-784-0145
FAX 410-974-3201
e-mail - att@comp.state.md.us

Death Taxes

Contact:
Office of the Comptroller
Revenue Administration Division
Estate Tax
P.O. Box 828
Annapolis, Maryland 21404-0828

Or Call:
Central Maryland 410-260-7850
Toll-free in Maryland 1-800-MD-TAXES
FAX 410-974-3456
e-mail - taxhelp@comp.state.md.us

Income Tax

Contact:
Revenue Administration Division
Revenue Administration Center
Annapolis, Maryland 21411-0001

Or Call:
Central Maryland 410-260-7980
Toll-free from elsewhere 1-800-MD-TAXES
Tax Forms 410-260-7951
FAX 410-974-5808
e-mail - taxhelp@comp.state.md.us

Motor Fuel Tax

Contact:
Motor Fuel Tax Division
Room 317
P.O. Box 1751
Louis L. Goldstein Treasury Building
Annapolis, Maryland 21404-1751

Or Call:
Central Maryland 410-260-7131
Toll-free in Maryland (Licensing) 1-888-784-0142
(IFTA Inquiries) 1-888-784-0141
FAX 410-974-3129
e-mail - mft@comp.state.md.us

New Business Information

Contact: Taxpayer Registration Assistance Center
Room 206
301 West Preston Street
Baltimore, Maryland 21201-2383

Or Call: In the Baltimore area 410-767-1313
Toll-free in Maryland 1-800-MD-TAXES
FAX 410-767-1571
e-mail - taxhelp@comp.state.md.us

Sales and Use Tax

Contact: Compliance Division
Taxpayer Service Section
301 West Preston Street
Baltimore, Maryland 21201-2383

Or Call: In the Baltimore area 410-767-1300
Toll-free in Maryland 1-800-492-1751
FAX 410-767-1571
e-mail -sut@comp.state.md.us

Tire Recycling Fee

Contact: Revenue Administration Division
Revenue Administration Center
Annapolis, Maryland 21411-0001

Or Call: Central Maryland 410-260-7980
Toll-free in Maryland 1-800-492-1751
FAX 410-974-5808
e-mail - taxhelp@comp.state.md.us

Unclaimed Property

Contact: Unclaimed Property Section
Compliance Division
301 West Preston Street
Baltimore, Maryland 21201-2385

Or Call: In the Baltimore area 410-767-1700
Toll-free from elsewhere 1-800-782-7383
FAX 410-333-7150
e-mail - unclaim@comp.state.md.us

Utility Surcharges (Energy Generation Surcharge, Emergency Telephone System Tax, Telecommunications Access of Maryland)

Contact: Revenue Administration Section
Revenue Administration Division
P.O. Box 207
Annapolis, Maryland 21404-0207

Or Call: In the Baltimore area 410-260-7782
Toll-free from elsewhere 1-800-492-1751
FAX 410-974-2803
e-mail - taxhelp@comp.state.md.us

For tax information, visit the Comptroller's website at:

www.marylandtaxes.com