



Peter Franchot
Comptroller

David F. Roose
Director

Bureau of Revenue Estimates

August 28, 2009

Honorable Martin O'Malley
Governor of Maryland
State House
Annapolis, Maryland 21401

Honorable Thomas V. "Mike" Miller, Jr.
President, Senate of Maryland
State House
Annapolis, Maryland 21401

Honorable Michael E. Busch
Speaker, Maryland House of Delegates
State House
Annapolis, Maryland 21401

Secretary Christian S. Johansson
Department of Business and Economic
Development
217 East Redwood Street
Baltimore, Maryland 21202

Secretary T. Eloise Foster
Department of Budget and Management
45 Calvert Street
Annapolis, Maryland 21401

Dear Governor, President, Speaker, and Secretaries:

As required by Chapter 181 (Senate Bill 458) of the 2008 Session of the General Assembly, the Comptroller's Office is reporting that the qualifying tourism tax increment is \$0 for fiscal year 2011. This analysis relies on the sales tax industry codes reflecting revenue generated from tourism and tourism-related activities, as determined by the Comptroller's Office and the Department of Business and Economic Development.

The attached table shows the industry codes and the percentage of revenues from those categories that we have jointly determined are tourism-related revenues, as well as the growth in these revenues in fiscal year 2009 after adjusting for the sales tax rate increase. Actual collections were \$346.3 million; adjusted for the rate increase, these revenues totaled \$291.3 million. As these revenues declined 2.3% for fiscal year 2009, well under the 3% growth threshold, the qualifying tourism tax increment is \$0.

If you have any questions, please do not hesitate to contact me.

Sincerely,

David F. Roose

cc: Honorable Peter Franchot
Senator John Astle
Len Foxwell
Linda Tanton
Margot Amelia

Tourism Tax Increment
(\$ in millions)

<u>Code</u>	<u>Description</u>	<u>FY 2009 Actual</u>	<u>FY 2009 at 5% Rate</u>	<u>Tourism Factor</u>	<u>FY 2009 Base</u>	<u>FY 2008 Base</u>	<u>Growth</u>
108	Restaurants, Lunchrooms, Delicatessens w/o Beer, Wine, and Liquor License	\$286.8	\$241.2	33%	\$80.4	\$79.8	0.8%
111	Hotels, Motels Selling Food w/ Beer, Wine, and Liquor License	37.8	31.8	100%	31.8	30.7	3.8%
112	Restaurants and Night Clubs w/ Beer, Wine, and Liquor License	198.1	166.7	33%	55.6	56.4	-1.5%
306	General Merchandise	124.9	105.1	5%	5.3	5.1	3.1%
407	Automobile, Bus, and Truck Rentals	59.5	50.1	90%	45.1	52.8	-14.7%
706	Airlines - Commercial	0.2	0.2	50%	0.1	0.1	-7.4%
901	Hotels, Motels, Apartments, Cottages	83.1	69.9	100%	69.9	70.5	-0.8%
925	Recreation and Amusement Places	7.6	6.4	50%	3.2	2.8	12.1%
TOTAL		\$798.1	\$671.4		\$291.3	\$298.2	-2.3%

Note: The sales tax rate was increased from 5% to 6% effective January 3, 2008.

Bureau of Revenue Estimates
Comptroller of Maryland
August 28, 2009