



Peter Franchot
Comptroller

Andrew Schaufele
Director
Bureau of Revenue Estimates

August 28, 2014

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 Dominick Murray
Department of Business and Economic
Development
401 East Pratt 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 Section §4-216 of the Economic Development Article, the Comptroller's Office is reporting that the qualifying tourism tax increment is \$0 for fiscal year 2016. 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 2014. Considering it has been three years since the sales and use tax increase on alcohol, we are no longer adjusting for that rate change. Actual collections were \$401.3 million; as these revenues increased 2.4% for fiscal year 2014, less than the 3% growth threshold, the qualifying tourism tax increment is \$0.

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

Sincerely,

Andrew Schaufele

cc: Honorable Peter Franchot
Senator John Astle
Len Foxwell
David Roose
Marc Nicole
Hannah Lee Byron
Margot Amelia

**Tourism Tax Increment
(\$ in millions)**

<u>Code</u>	<u>Description</u>	<u>FY 2013 Actual</u>	<u>FY 2014 Actual</u>	<u>Tourism Factor</u>	<u>FY 2013 Base</u>	<u>FY 2014 Base</u>	<u>Growth</u>
108	Restaurants, Lunchrooms, Delicatessens - w/o Beer, Wine and Liquor License	\$ 323.7	\$ 337.2	33%	\$ 107.9	\$ 112.4	4.2%
111	Hotels, Motels Selling Food w/Beer, Wine and Liquor License	42.8	41.5	100%	42.8	41.5	-3.1%
112	Restaurants and Night Clubs w/Beer, Wine and Liquor License	247.0	249.8	33%	82.3	83.3	1.1%
306	General Merchandise	156.6	165.2	5%	7.8	8.3	5.5%
407	Automobile, Bus and Truck Rentals	62.4	64.6	90%	56.2	58.1	3.5%
706	Airlines - Commercial	0.3	0.4	50%	0.1	0.2	28.4%
901	Hotels, Motels, Apartments, Cottages	91.8	94.4	100%	91.8	94.4	2.9%
925	Recreation and Amusement Places	6.1	6.4	50%	3.1	3.2	5.2%
TOTAL		\$ 930.7	\$ 959.5		\$ 392.0	\$ 401.3	2.4%

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