



## House Bill 964

### *Admissions and Amusement Tax - Exemption for School Field Trips*

MACo Position: **SUPPORT**

To: Ways and Means Committee

Date: February 20, 2018

From: Barbara Zektick

The Maryland Association of Counties (MACo) **SUPPORTS** HB 964. This bill authorizes local governments to exempt school field trips from the admissions and amusement tax.

MACo generally supports legislation enabling counties to authorize tax exemptions by local ordinance, as opposed to bills which mandate those exemptions across the board. Mandated tax exemptions require each county to forego meaningful local revenues to support essential public services, even if the exemption does not serve the best interests of that county. Particularly, but not exclusively, during times of economic uncertainty and revenue projection shortfalls, counties require full authority to balance their budgets as they deem most fit. MACo appreciates the sponsor's willingness to introduce this bill in its amended form (from last year) to authorize, rather than require, this tax exemption.

MACo also prefers that the General Assembly explicitly grant counties authority to offer exemptions to the admissions and amusement tax in cases like this. While it may be the case that state authority is unnecessary for local governments to offer admissions and amusement tax exemptions, the law is not entirely clear on this point – so counties welcome the clarification offered by this and other bills explicitly granting authority to enact exemptions.

This authority may not be necessary. An opinion of the Attorney General's office from 1978 found that since counties have the authority *not* to enact any admissions and amusement tax at all, they therefore have the implicit authority to enact exemptions from this tax.<sup>i</sup> However, MACo questions whether this advisory opinion, based entirely upon Delaware law and offered 40 years ago, still provides an accurate read of the law. Similarly, COMAR 03.06.02.05, promulgated by the Comptroller, explicitly authorizes counties to enact exemptions from this tax. But, this regulation could potentially be stricken down by a court of law finding that the Comptroller lacks the legal authority to grant counties this right. The explicit exemption authority offered by this bill is welcomed by Maryland's counties.

For the reasons stated above, MACo generally supports legislation granting clear authority to enact tax exemptions, and urges the Committee to once again grant this bill a **FAVORABLE** report.

<sup>i</sup> See 63 Md. Op. Atty. Gen. 612 (1978).