

**MARYLAND**  
**Tax Expenditures Report**  
**Fiscal Year 2018**

Presented to the Governor and General Assembly  
by the Department of Budget and Management  
June 2017

**Lawrence J. Hogan, Jr., Governor**  
**Boyd K. Rutherford, Lieutenant Governor**  
**David R. Brinkley, Secretary**

  
**MARYLAND**  
DEPARTMENT OF  
BUDGET & MANAGEMENT

LARRY HOGAN  
Governor

BOYD K. RUTHERFORD  
Lieutenant Governor

DAVID R. BRINKLEY  
Secretary

MARC L. NICOLE  
Deputy Secretary

June 1, 2017

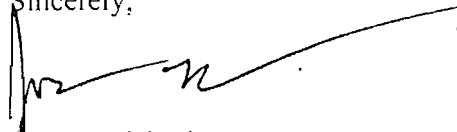
The Honorable Lawrence J. Hogan, Jr.  
The Honorable Thomas V. Mike Miller, Jr., President of the Senate  
The Honorable Michael E. Busch, Speaker of the House of Delegates  
The Honorable Members of the General Assembly

Ladies and Gentlemen:

The Department of Budget and Management is required by law to prepare on a biennial basis a statement of the estimated amount by which exemptions from taxation reduce State revenues and revenues collected by local governments. These foregone revenues are often called "tax expenditures" since the same benefits could be distributed using budgeted expenditures instead of a tax provision. This report, which covers fiscal years 2015-2018, is intended to assist the Governor and General Assembly in their respective reviews of the advantages and drawbacks of the tax expenditures.

I wish to acknowledge the individuals in the various tax-collecting agencies that contributed data and estimates for this report. Without their hard work and careful analysis, this report would not be possible.

Sincerely,



Jonathan Martin  
Director  
Office of Budget Analysis

cc: Secretary David R. Brinkley  
Deputy Secretary Marc Nicole

MSAR 132

<b>Statistical Summary</b>					
<b>Tax Expenditures by Function</b>					
<b>(millions of dollars)</b>					
		<b>FY 15</b>	<b>FY 16</b>	<b>FY 17</b>	<b>FY 18</b>
<b>I.</b>	<b>Structural Tax Expenditures</b>				
	Income Tax Personal Exemption	651.3	657.9	650.1	650.1
	Income Tax Standard Deduction	144.7	147.7	156.0	162.9
	<b>Total - Structural Tax Expenditures</b>	<b>796.1</b>	<b>805.6</b>	<b>806.1</b>	<b>813.0</b>
<b>II.</b>	<b>Categorical Tax Expenditures</b>				
	Agriculture	209.9	220.5	227.9	241.4
	Business	415.3	390.7	405.6	419.6
	Charity	352.7	358.1	361.6	365.8
	Education	97.1	98.8	104.6	111.0
	Elderly	403.6	407.7	409.3	411.4
	Employment-related	174.3	174.9	174.9	174.8
	Environment	4.7	5.8	5.0	5.0
	Families	1,201.7	1,223.3	1,249.3	1,277.3
	Fire and Rescue	4.5	4.7	5.0	5.1
	Handicapped and Disabled	0.3	0.3	0.3	0.3
	Housing	720.0	718.8	703.3	694.4
	Interstate Commerce	17.0	17.7	18.2	18.7
	Medical and Health	566.4	588.2	616.0	636.9
	Poverty	236.3	240.3	248.1	256.7
	Religious	40.1	41.5	41.3	42.0
	Veterans and Military	22.5	28.8	29.2	29.2
	Volunteer and Nonprofit	5.3	6.1	6.0	6.1
	Miscellaneous	638.6	653.8	633.6	668.4
	<b>Total - Categorical Tax Expenditures</b>	<b>5,110.2</b>	<b>5,180.2</b>	<b>5,239.0</b>	<b>5,364.1</b>
<b>III.</b>	<b>Incidental Tax Expenditures</b>				
	Administrative	63.4	62.2	60.9	59.7
	Double Taxation	2,059.4	2,125.7	2,212.6	2,279.0
	Reciprocal Exemptions	9.9	8.0	8.1	8.2
	Fuel for Non-transportation Uses	2.2	2.2	2.2	2.2
	Governments	518.5	536.7	555.1	573.8
	<b>Total - Incidental Tax Expenditures</b>	<b>2,653.5</b>	<b>2,734.7</b>	<b>2,838.9</b>	<b>2,922.9</b>
	<b>Total - All Tax Expenditures</b>	<b>8,559.8</b>	<b>8,720.5</b>	<b>8,884.0</b>	<b>9,099.9</b>
Note: Totals may not add due to rounding.					

<b>Statistical Summary</b>					
<b>Categorical Tax Expenditures by Tax</b>					
<b>(millions of dollars)*</b>					
		<b>FY 15</b>	<b>FY 16</b>	<b>FY 17</b>	<b>FY 18</b>
<b>I.</b>	<b>Individual Income Tax</b>				
	Itemized Deductions	1,196.6	1,194.3	1,178.4	1,169.3
	Subtractions	474.4	484.2	485.1	487.0
	Credits	276.2	280.9	295.4	308.9
	Elderly and Blind Exemptions	30.0	30.3	30.4	30.6
	<b>Total - Individual Income Tax</b>	<b>1,977.2</b>	<b>1,989.7</b>	<b>1,989.3</b>	<b>1,995.7</b>
<b>II.</b>	<b>Other Taxes</b>				
	Sales & Use Tax	2,103.0	2,171.6	2,238.9	2,313.5
	Corporation Income Tax**	524.4	496.2	472.8	497.9
	Motor Vehicle Titling Tax**	176.6	186.8	200.9	209.4
	Insurance Premiums Tax	136.7	140.1	147.4	149.9
	State Property Tax	130.3	133.0	133.5	138.9
	Inheritance Taxes	54.2	56.4	58.0	59.7
	Property Transfer Tax	12.4	13.4	14.1	14.4
	Public Service Company Franchise Tax	7.8	4.8	4.8	4.8
	Motor Vehicle Fuel Tax**	3.3	3.9	3.9	3.9
	Boat Titling Tax	1.2	1.3	1.3	2.0
	Motor Vehicle Registration Fees**	2.4	2.4	0.2	0.2
	Alcoholic Beverage Taxes	No reliable estimate			
	Tobacco Tax	No reliable estimate			
	<b>Total - Other Taxes</b>	<b>3,133.0</b>	<b>3,190.5</b>	<b>3,249.7</b>	<b>3,368.4</b>
	<b>Total - Categorical Tax Expenditures*</b>	<b>5,110.2</b>	<b>5,180.2</b>	<b>5,239.0</b>	<b>5,364.1</b>
* Excludes structural tax expenditures (income tax regular personal exemptions and standard deduction) and incidental tax expenditures (for example, exemptions for governments).					
** Local governments bear a portion of this foregone revenue.					
Note: Totals may not add due to rounding.					

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## **Maryland's Tax Expenditure Reporting Law**

Section 7-118 of the State Finance and Procurement Article requires the Department of Budget and Management (DBM) to prepare in every other year a statement of the estimated amount by which exemptions from taxation reduce revenues. This requirement is the basis of Maryland's tax expenditure report.

### **Classes of Tax Expenditures**

For purposes of analysis, the report divides tax expenditures into three classes.

#### **“Structural” Tax Expenditures**

There are some items that are so inextricably a part of a tax structure that it is not reasonable to consider repealing them without other major adjustments in the tax law. The regular personal exemptions and the standard deduction of the personal income tax are in this class. Structural tax expenditures are also distinct from categorical tax expenditures (see next section) in that they are generally available to all rather than to selected groups of taxpayers.

#### **“Categorical” Tax Expenditures**

Most tax expenditures are classified as “categorical” expenditures. These are fairly narrow provisions that have an easily defined range of beneficiaries and a more or less discernable policy goal. In this report, these tax expenditures will be reported in two groupings. First, they will be grouped according to their primary beneficiary or purpose. Second, they will be reported again in order by tax.

#### **“Incidental” Tax Expenditures**

Some tax provisions are in the code to solve administrative problems or to avoid double-taxation. If the expenditure exists to avoid excessive administrative burdens, it is likely that repeal of the provision would add more to the cost of collecting the tax than it would generate in revenue.

### **Local Effects**

Special note should be made to the effect of state tax changes on local expenditures. The most important instance of this is the “piggyback income tax,” an income tax that provides income tax revenue to local governments in Maryland but that is tied to the state income tax base and collected with the state income tax.

This tax is a major source of local government revenue in Maryland. In general, any tax expenditure from the individual income tax reduces total local revenue, on average, by roughly 62 percent of the amount it reduces state revenue. Tax expenditures due to income tax credits, other than the non-refundable earned income tax credit, only affect state revenues.

## **Technical Notes**

Estimating tax expenditures is an inherently imprecise business. The estimator has to count dollars of revenue that are not collected. In some cases, such as tax expenditures delivered through refunds or credits, one can measure the foregone revenue with some precision. In other cases, the tax expenditure involves an activity that is exempt from both taxation and reporting requirements, and one must use outside sources of data to estimate the volume. For many provisions, there is simply no basis for a reliable estimate.

This section focuses on a number of the most important issues in tax expenditure estimating and discusses how they are handled in the report.

### **Measurement**

The estimates in this report measure the difference between existing tax collections and what collections would be without the tax expenditures. Thus, the cost to the state from each tax expenditure is estimated as the revenue that the state would collect if the activity that is the subject of a special tax provision were taxed at the general rate.

### **Difficulty from Attempting to Sum the Various Estimates**

For a variety of reasons, the revenue effect of repealing two or more tax expenditures simultaneously may be more or less than the sum of the individual tax expenditure estimates.

There may be overlap between two tax expenditures. The income tax credit for earned income of individuals below the poverty level benefits many of those eligible for the earned income credit. If either one were repealed, the other provision would “catch” much of the income affected. If both were repealed, the revenue gain would be much larger than the sum of the two individual estimates.

In some cases, changing one tax expenditure will affect other tax revenues. For example, real estate taxes paid are an itemized deduction under the income tax. Eliminating a tax expenditure in the property tax that would increase these deductions would also reduce income tax revenues. The estimates in this report do not include the effects from these interactions.

### **Data Sources**

Administering agencies are the principal source for estimates of tax expenditures from the tobacco and alcoholic beverage taxes, the property tax, motor-vehicle taxes and fees, the excise tax on vessels and the insurance premium tax. The Bureau of Revenue Estimates assists with the sales tax, the individual and corporation income taxes and the property transfer tax, and the Department of Budget and Management prepares the balance of estimates from other data sources.

## **Notes on Particular Taxes**

### **Individual Income Tax**

The starting point for calculating the Maryland individual income tax is federal adjusted gross income (FAGI). Some provisions of the federal tax code make FAGI less than total “economic income” – the full value of all income received by the taxpayer. Examples include the exclusion from FAGI of public assistance benefits and employee fringe benefits.

The revenue foregone by the federal government as a result of these exclusions is counted as tax expenditures for *federal* purposes. The state component of such foregone revenue could be considered a state tax expenditure. However, this report does not include estimates of such tax expenditures.

There is a conceptual difficulty in separating the effect of the standard deduction from itemized deductions since for many taxpayers the standard deduction represents an alternative to itemized deductions. In this report, the standard deduction is considered a “structural” tax expenditure, while individual itemized deductions are considered “categorical” tax expenditures.

### **Sales Tax**

Maryland’s sales tax base includes most tangible goods, as well as a few enumerated services. Some goods are specifically exempt from the tax as are certain purchasers of these items, for example, governments, charitable organizations, etc. The list of tax expenditures enumerates these exemptions.

### **Corporate Income Tax**

The only tax expenditures from the corporate income tax reported here result from subtractions from income allowed in state law and the several state income tax credits.

### **Property Tax**

Estimates of property tax expenditures include only the impact of exclusions on the state property tax. In general, exclusions from the state tax base are also exclusions from the local tax base, so the state tax expenditures are accompanied by local tax expenditures. The amount of the local tax expenditures depends on the tax rate set by each local government.

Property tax credits are not included in this report since funds required to pay those credits are appropriated through the regular budget process.

### **Admissions and Amusement Tax**

These tax expenditures affect only local revenues, and are adopted by local governments. For these reasons, admissions and amusement tax expenditures are not catalogued in this report.



**Detail of Tax Expenditures**

**By Function**

**Fiscal Years 2015 – 2018**

## I. Structural Tax Expenditures

	Millions of Dollars			
	FY 15	FY 16	FY 17	FY 18
Income tax personal exemptions Legal reference: Art. TG Sec. 10-211 Note: Local effect is \$403.1 million in FY 2017, \$403.1 million in FY 2018.	651.3	657.9	650.1	650.1
Individual income tax standard deduction Legal reference: Art. TG Sec. 10-217 Note: Local effect is \$96.7 million in FY 2017, \$101 million in FY 2018.	144.7	147.7	156.0	162.9
<b>Total:</b>	<b>796.1</b>	<b>805.6</b>	<b>806.1</b>	<b>813.0</b>

## II. Categorical Tax Expenditures

### 1. Agriculture and Fisheries

Corporate income tax subtraction for conservation tillage equipment  
Legal reference: Art. TG Sec. 10-308

Corporate income tax subtraction for reforestation and timber stand improvement  
Legal reference: Art. TG Sec. 10-308

Corporate income tax subtraction for manure spreading equipment  
Legal reference: Art. TG Sec. 10-308

Exemption from the inheritance tax for payment deferral for qualified agricultural property  
Legal reference: Art. TG Sec. 7-307

Refund of aviation fuel tax used for agricultural purposes  
Legal reference: Art. TG Sec. 13-901

Refund of fuel tax for fuel used for agricultural purposes  
Legal reference: Art. TG Sec. 13-901

Note: 9.6% of this would be distributed to local governments as Highway User Revenue.

Personal income tax subtraction for conservation tillage equipment  
Legal reference: Art. TG Sec. 10-208

	Millions of Dollars			
	FY 15	FY 16	FY 17	FY 18
Corporate income tax subtraction for conservation tillage equipment				
Corporate income tax subtraction for reforestation and timber stand improvement				
Corporate income tax subtraction for manure spreading equipment				
Exemption from the inheritance tax for payment deferral for qualified agricultural property				
Refund of aviation fuel tax used for agricultural purposes				
Refund of fuel tax for fuel used for agricultural purposes	0.0	0.0	0.0	0.0
Personal income tax subtraction for conservation tillage equipment				

1. Agriculture and Fisheries (Continued)	Millions of Dollars			
	FY 15	FY 16	FY 17	FY 18
Personal income tax subtraction for donated farm products Legal reference: Art. TG Sec. 10-208			No reliable estimate	
Personal income tax subtraction for reforestation and timber stand improvement Legal reference: Art. TG Sec. 10-208			Negligible	
Personal income tax credit up to \$500 for the purchase of aquaculture oyster floats Legal reference: Art. TG Sec. 10-724	0.2	0.2	0.2	0.2
Exemption from the sales tax of sales for agricultural purposes and of agricultural products Legal reference: Art. TG Sec. 11-201	204.6	215.0	222.2	235.6
Exemption from the sales tax of sales of crabs and seafood for consumption off-premises Legal reference: Art. TG Sec. 11-206	2.6	2.6	2.7	2.8
Exemption from the sales tax of sales of seafood harvesting equipment Legal reference: Art. TG Sec. 11-218	2.5	2.6	2.7	2.8
Exemption from the sales tax of sales of multifuel pellet stoves designed to burn agricultural field corn Legal reference: Art. TG Sec. 11-226			No reliable estimate	
Exemption of farm equipment from vehicle title requirements Legal reference: Art. TR Sec. 13-102			No reliable estimate	
Exemption from the property transfer tax of agricultural land for calculating the tax rate when transferred with land for another purpose Legal reference: Art. TP Sec. 13-303	Not in existence		No reliable estimate	
<b>Total:</b>	<b>209.9</b>	<b>220.5</b>	<b>227.9</b>	<b>241.4</b>

2. Business	Millions of Dollars			
	FY 15	FY 16	FY 17	FY 18
Exclusion of the value of trade-ins from the boat tax Legal reference: Art. NR Sec. 8-716	1.1	1.2	1.2	1.3
Corporate income tax subtraction for dividends for domestic corporations claiming foreign tax credits Legal reference: Art. TG Sec. 10-307	42.6	46.9	35.9	44.9
Corporate income tax subtraction for dividends of domestic international sales corporation and foreign subsidiary Legal reference: Art. TG Sec. 10-307		No reliable estimate		
Corporate income tax subtraction for dividends from related foreign corporations Legal reference: Art. TG Sec. 10-307	135.1	106.8	105.7	105.7
Corporate income tax subtraction for exempt-interest dividends paid by regulated investment companies Legal reference: Art. TG Sec. 10-308		No reliable estimate		
Corporate income tax subtraction for wage expenses disallowed under federal targeted jobs credit Legal reference: Art. TG Sec. 10-308		No reliable estimate		
Corporate income tax gain/loss adjustment for utility company stranded costs Legal reference: Art. TG Sec. 10-309. Subtraction last claimed in TY03 at \$8.6 million.	0.0	0.0	0.0	0.0

2. Business (Continued)	Millions of Dollars			
	FY 15	FY 16	FY 17	FY 18
Enterprise zone tax credit on corporate income tax Legal reference: Art. TG Sec. 10-702	0.5	0.5	0.5	0.5
Personal income tax credit for job creation in Regional Institution Strategic Enterprise (RISE) Zones Legal reference: Art. TG Sec. 10-702	Included in corporate income tax			
Corporate income tax credit for job creation in Regional Institution Strategic Enterprise (RISE) Zones Legal reference: Art. TG Sec. 10-702	0.0	0.1	0.1	0.1
Corporate income tax credit for purchases of Maryland-mined coal Legal reference: Art. TG Sec. 10-704.1	0.0	0.0	0.0	0.0
Corporate income tax credit for qualified R&D expenses Legal reference: Art. TG Sec. 10-721	9.0	9.0	9.0	9.0
Corporate income tax credit for cellulosic ethanol technology R&D Legal reference: Art. TG Sec. 10-726	0.0	0.0	0.0	0.0
Corporate income tax credit for bio-heating oil for use in space or water heating Legal reference: Art. TG Sec 10-727 Note: Sunsets June 30, 2018.	0.0	0.0	0.0	0.0

2. Business (Continued)	Millions of Dollars			
	FY 15	FY 16	FY 17	FY 18
Corporate income tax credit for qualified film production entities Legal reference: Art. TG Sec 10-730 Note: Credit entirely claimed against corporate income tax. FY 2017 credit is \$11.5 million. FY 2018 is proposed at \$5 million.	7.5	0.0	11.5	5.0
Corporate income tax credit for employer costs of security clearance Legal reference: Art. TG Sec. 10-732 Note: Statutorily capped at \$2.0 million for all eligible companies. Credit split between personal and corporate income tax.	1.5	1.5	1.5	1.5
Corporate income tax credit for cybersecurity investment Legal reference: Proposed Art. TG Sec. 10-733 Note: Credit split between corporate and individual income tax. Proposed at \$2 million in FY 2018.	0.8	1.0	0.0	2.0
Refund for aviation fuel dispensed to aircraft by an aircraft manufacturing company located in the State Legal reference: Art. TG Sec. 13-901 Note: 9.6% of this would be distributed to local governments in FY 2016 as Highway User Revenue.	0.0	0.0	0.0	0.0
Personal income tax subtraction for provision of targeted jobs Legal reference: Art. TG Sec. 10-208	No reliable estimate			
Enterprise Zone tax credit on personal income taxes Legal reference: Art. TG Sec. 10-702	0.1	0.1	0.3	0.3
Personal income tax credit for cogenerators' purchase of MD-mined coal Legal reference: Art. TG Sec. 10-704.1 Note: Corporations take all credits against franchise tax.	0.0	0.0	0.0	0.0

**2. Business (Continued)**

	Millions of Dollars			
	FY 15	FY 16	FY 17	FY 18
Personal income tax credit for qualified R&D expenses Legal reference: Art. TG Sec. 10-721 Note: Sunsets July 1, 2021.	0.1	0.1	0.3	0.3
Personal income tax credit for cellulosic ethanol technology R&D Legal reference: Art. TG Sec. 10-726 Note: No credits claimed.	0.0	0.0	0.0	0.0
Personal income tax credit for bio-heating oil for use in space or water heating Legal reference: Art. TG Sec 10-727 Note: Sunsets June 30, 2018.	No reliable estimate			
Personal income tax credit for qualified film production entities Legal reference: Art. TG Sec 10-730 Note: Credit entirely claimed against corporate income tax.	0.0	0.0	0.0	0.0
Personal income tax credit for employer costs of security clearance Legal reference: Art. TG Sec. 10-732 Note: Statutorily capped at \$2.0 million for all eligible companies. Credit split between personal and corporate income tax.	0.5	0.5	0.5	0.5



2. Business (Continued)	Millions of Dollars			
	FY 15	FY 16	FY 17	FY 18
Corporate income tax credit for first-year leases of small businesses performing security-based contracting Legal reference: Art. TG Sec. 10-732	2.2	2.3	2.3	2.3
Individual income tax credit for first-year leases of small businesses performing security-based contracting Legal reference: Art. TG Sec. 10-732	0.0	0.0	0.0	0.0
Personal income tax credit for cybersecurity investment Legal reference: Proposed Art. TG Sec. 10-733 Note: Credit split between corporate and individual income tax. Proposed at \$2 million in FY 2018.	Included in corporate income tax			
Corporate income tax credit for aerospace, electronics, or defense contract projects Legal reference: Art. TG Sec. 10-737	Not in existence		7.5	7.5
Individual income tax credit for aerospace, electronics, or defense contract projects Legal reference: Art. TG Sec. 10-737	Not in existence		Included in corporate income tax	
One Maryland Economic Development tax credit against the insurance premium tax for certain economic development projects Legal reference : Art. Ins Sec.6-119	Included in corporate and individual income tax			

Property used for heating/cooling of state owned/occupied property Legal reference: Art. TP Sec. 7-210,11 Note: No revenue loss; properties potentially affected are already tax exempt.	0.0	0.0	0.0	0.0
Exemption from the property tax of landing areas at privately owned, public use airports Legal reference: Art. TP Sec. 7-303 Note: Tax expenditure is under \$5,000 annually.		Negligible		
Exemption from the public service company franchise tax of internet services Legal reference: Art. TG Sec. 8-401		No reliable estimate		
Public service company franchise tax credit for purchase of MD-mined coal Legal reference: Art. TG Sec. 8-406 Note: Capped at \$6 million in FY 2015. Begin phase out in FY 2016, cap at \$3 million.	6.0	3.0	3.0	3.0
Public service company franchise tax credit for sales to large industrial customers for production activity Legal reference: Art. TG Sec 8-417	1.5	1.5	1.5	1.5

**2. Business (Continued)**

	Millions of Dollars			
	FY 15	FY 16	FY 17	FY 18
Property tax credit for the Urban Enterprise Zone Tax Credit Legal reference: Art. TP Sec 9-103	13.5	16.5	19.7	22.4
Property tax credit for the BRAC Zone Tax Credit Legal reference: Art. TP Sec 5-105	0.7	0.8	0.8	2.1
Exemption from the sales tax for the "core value" of used truck parts exchanged for remanufactured parts Legal reference: Art. TG Sec. 11-101	0.1	0.1	0.1	0.1
Exemption from the sales tax of sales to cemetery companies Legal reference: Art. TG Sec. 11-204	No reliable estimate			
Exemption from the sales tax of sales to credit unions Legal reference: Art. TG Sec. 11-204	0.3	0.4	0.4	0.4
Exemption from the sales tax of certain transfers of business property Legal reference: Art. TG Sec. 11-209	No reliable estimate			
Exemption from the sales tax of sales of tangible personal property used predominantly in a production activity Legal reference: Art. TG Sec. 11-210	103.0	106.7	109.9	113.2

**2. Business (Continued)**

	Millions of Dollars			
	FY 15	FY 16	FY 17	FY 18
Exemption from the sales tax of sales of certain bakery equipment Legal reference: Art. TG Sec. 11-210 Note: Estimated at under \$25,000 annually.				
			No reliable estimate	
Exemption from the sales tax of sales of machinery and utilities used to produce bituminous concrete Legal reference: Art. TG Sec. 11-210	0.3	0.3	0.3	0.3
Exemption from the sales tax of sales of wood products for mining purposes Legal reference: Art. TG Sec. 11-212				
			No reliable estimate	
Exemption from the sales tax of sales of diesel fuel used in coal mine reclamation Legal reference: Art. TG Sec. 11-212 Note: Less than \$20,000 annually.				
			No reliable estimate	
Exemption from the sales tax of the use of nonresidential personal property Legal reference: Art. TG Sec. 11-214				
			No reliable estimate	
Exemption from the sales tax of sales of precious metal coins or bullion over \$1,000 Legal reference: Art. TG Sec. 11.214	3.0	3.0	3.1	3.1
Exemption from the sales tax for sales and printing of free newspapers Legal reference: Art. TG Sec. 11-215	4.0	4.2	4.2	4.2
Exemption from the sales tax for sales of out-of-state direct mail advertising materials Legal reference: Art. TG Sec. 11-215	4.6	4.9	5.0	5.1

2. Business (Continued)	Millions of Dollars			
	FY 15	FY 16	FY 17	FY 18
Exemption from the sales tax of sales of photographic and artistic materials used in publication Legal reference: Art. TG Sec. 11-215	12.2	12.8	13.3	13.9
Exemption from the sales tax of certain sales for R&D purposes Legal reference: Art. TG Sec. 11-217	22.1	22.9	23.7	24.6
Exemption from the sales tax of sales of fuel or repair parts for commercial vessels Legal reference: Art. TG Sec. 11-218	No reliable estimate			
Exemption from the sales tax of optional computer software maintenance contracts Legal reference: Art. TG Sec. 11-219	7.8	8.2	8.6	9.1
Exemption from the sales tax of sales of certain computer programs Legal reference: Art. TG Sec. 11-225	2.4	2.5	2.6	2.6
Exemption from the sales tax of sales of property or services used in film production activity Legal reference: Art. TG Sec. 11-227	0.7	0.7	0.7	0.7
Exemption from the sales tax of sales of power to operate equipment for producing snow for commercial purposes Legal reference: Art. TG Sec. 11-229	No reliable estimate			
Exemption from the sales tax of sales of space at corporate training centers Legal reference: Art. TG Sec. 11-231	0.4	0.4	0.4	0.4
Exemption from the sales tax of sales of construction material or warehousing equipment for use in Baltimore County on property previously owned by Bethlehem Steel Legal reference: Art. TG Sec. 11-232	Not in existence		No reliable estimate	
Exemption from the titling tax for registered passenger buses Legal reference: Art. TR Sec. 13-810	19.2	19.3	19.4	19.5

**2. Business (Continued)**

Millions of Dollars  


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 FY 15      FY 16      FY 17      FY 18

Exemption from the titling tax for registered truck tractors  
 Legal reference: Art. TR Sec. 13-810

No reliable estimate      Included in passenger buses

Exemption from the property transfer tax for conversion of foreign entities to LLCs  
 Legal reference: Art. TP Sec 13-207

No reliable estimate

Exemption from the transfer tax for corporate or partnership conveyances  
 Legal reference: Art. TP Sec. 13-207

No reliable estimate

Exemption from the transfer tax for mergers, consolidations or transfers from partnership to a LLC  
 Legal reference: Art. TP Sec. 13-207

No reliable estimate

Exemption from the transfer tax for transfers of corporate property between related corporations  
 Legal reference: Art. TP Sec. 13-207

No reliable estimate

Exemption from the transfer tax for transfers upon conversion of joint venture or sole proprietorship to a LLC  
 Legal reference: Art. TP Sec. 13-207

No reliable estimate

Exemption from the transfer tax for transfers between parent business entity and subsidiary or among wholly owned subsidiaries  
 Legal reference: Art. TP Sec. 12-108

No reliable estimate

Credit against corporate income tax for qualified expenditures at wineries and vineyards Legal reference: Art. TG Sec. 10-735	0.5	0.5	0.5	0.5
Corporate income tax credit for biotechnology investment Legal reference: Art. TG Sec. 10-725 Note: Credit split between corporate and individual income tax. Cost depends on appropriation: \$12 million for FY 2015 to FY 2017. Proposed FY 2018 appropriation of \$12 million.	1.8	1.8	1.8	1.8
Individual income tax credit for biotechnology investment Legal reference: Art. TG Sec 10-725 Note: Credit split between corporate and individual income tax. Cost depends on appropriation: \$12 million for FY 2015 to FY 2017. Proposed FY 2018 appropriation of \$12 million.	10.2	10.2	10.2	10.2
<b>Total:</b>	<b>415.3</b>	<b>390.7</b>	<b>405.6</b>	<b>419.6</b>

	Millions of Dollars			
	FY 15	FY 16	FY 17	FY 18
<b>3. Charity</b> Exemption from the boat tax of vessels purchased by charitable organizations Legal reference: Art. NR Sec. 8-716 Note: Estimated at less than \$30,000 annually before FY 2018.		Negligible		0.6
Refund of the fuel tax to the Red Cross Legal reference: Art. TG Sec. 13-901		No reliable estimate		
Personal income tax deduction for charitable contributions Legal reference: Art. TG Sec. 10-204 Note: Local effect is \$153.9 million in FY 2018.	242.4	242.4	242.4	242.4
Exemption from the sales tax of sales to charitable organizations Legal reference: Art. TG Sec. 11-204	110.3	115.7	119.2	122.7
Exemption from registration fees for vehicles owned by the Red Cross Legal reference: Art. TR Sec. 13-903 Note: Included in miscellaneous and other registration fee exemptions, all of which are estimated to be \$0.1 million in FY 2018.		No reliable estimate		
Exemption from the titling tax of Red Cross Vehicles Legal reference: Art. TR Sec. 13-810		No reliable estimate		
<b>Total:</b>	<b>352.7</b>	<b>358.1</b>	<b>361.6</b>	<b>365.8</b>



**4. Education**

	Millions of Dollars			
	FY 15	FY 16	FY 17	FY 18
Exemption from the motor fuel tax motor fuel used in a school bus owned or used by a county board of education Legal reference: Art. TG Sec. 9-303	Not in existence		No reliable estimate	
Personal income tax subtraction for amounts contributed to prepaid tuition plans Legal reference: Art. TG Sec. 10-207			No reliable estimate	
Personal income tax subtraction for contributions to investment accounts Legal Reference: Art. TG Sec. 10-208 Note: Applies to the Maryland Prepaid College Trust, Maryland College Investment Plan, the Maryland ABLE Program and to the Maryland Broker-Dealer College Investment Plan. Capped at \$2,500 per contract with the Prepaid Trust and per account holder/beneficiary. As of January 2017, Maryland 529 has not implemented the Maryland Broker-Dealer College Investment Plan. The Maryland ABLE Program is anticipated to launch in late 2017.	16.6	16.0	16.0	16.0
Personal income tax credit for expenses incurred by classroom teachers for advanced education Legal reference: Art. TG Sec. 10-717	4.7	4.7	6.8	6.8

4. Education (Continued)	Millions of Dollars			
	FY 15	FY 16	FY 17	FY 18
Exemption from the property tax of property for educational uses Legal reference: Art. TP Sec. 7-202	26.2	26.5	23.7	23.7
Individual income tax credit for contributions to investment accounts Legal reference: Art. TG Sec. 10-737	Not in existence			5.0
Individual income tax credit for student debt Legal reference: Art. TG Sec. 10-740	Not in existence		5.0	5.0
Exemption from the sales tax of certain fund raising sales to benefit schools/students Legal reference: Art. TG Sec. 11-204	1.4	1.5	1.5	1.6
Exemption from the sales tax of sales to educational organizations Legal reference: Art. TG Sec. 11-204	12.8	13.5	14.0	14.6
Exemption from the sales tax of sales of food at schools, colleges and universities Legal reference: Art. TG Sec. 11-206	24.5	25.2	25.8	26.4
Back to school clothing and footwear sales tax exemption Legal reference: Art. TG Sec. 11-228	10.9	11.4	11.7	12.0
Exemption from the titling tax of buses used for public school transportation Legal reference: Art. TR Sec. 13-810	No reliable estimate			
Exemption from the titling tax of vehicles owned by qualified private schools Legal reference: Art. TR Sec. 13-810	No reliable estimate			
<b>Total:</b>	<b>97.1</b>	<b>98.8</b>	<b>104.6</b>	<b>111.0</b>

5. Elderly	Millions of Dollars			
	FY 15	FY 16	FY 17	FY 18
Personal income tax subtraction for federally-taxed social security and railroad retirement benefits Legal reference: Art. TG Sec. 10-207 Note: Local effect is \$131.8 million in FY 2018.	208.5	210.5	211.4	212.5
Personal income tax pension exclusion Legal reference: Art. TG Sec. 10-209 Note: Local effect is \$103.9 million in FY 2018.	164.3	166.0	166.7	167.5
Additional personal income tax exemptions for the blind and elderly Legal reference: Art. TG Sec. 10-211 Note: Local effect is \$19 million in FY 2018.	30.0	30.3	30.4	30.6
Exemption from the property tax of nonprofit housing for the elderly Legal reference: Art. TP Sec. 7-202	0.5	0.6	0.5	0.5
Exemption from property tax of continuing care facilities for the aged Legal reference: Art. TP Sec. 7-206		No reliable estimate		
Exemption from the sales tax of sales under \$500 to nonprofit senior citizens' organizations Legal reference: Art. TG Sec. 11-204		No reliable estimate		
Exemption from the sales tax of residential sales of electricity to a nonprofit planned retirement community Legal reference: Art. TG Sec. 11-207	0.3	0.3	0.3	0.3
<b>Total:</b>	<b>403.6</b>	<b>407.7</b>	<b>409.3</b>	<b>411.4</b>

6. Employment-related	Millions of Dollars			
	FY 15	FY 16	FY 17	FY 18
Corporate income tax credit for job creation (Job Creation Tax Credit) Legal reference: Art. TG Sec. 10-704.4 Note: Sunsets January 1, 2020.	0.2	0.1	0.1	0.1
Corporate income tax credit for businesses that create new jobs Legal reference: Art. TG Sec. 10-704.8	1.0	1.0	1.0	1.0
Corporate income tax credit for One Maryland project/startup costs Legal reference: Art. TG Sec. 10-714	7.0	7.0	7.0	7.0
Personal income tax itemized deduction for job expenses Legal reference: Art. TG Sec. 10-204	138.7	138.7	138.7	138.7
Personal income tax subtraction for pickup contributions for pension and retirement systems  Legal reference: Art. TG Sec. 10-207	No reliable estimate			
Personal income tax subtraction for employment-related household and dependent care expenses Legal reference: Art. TG Sec. 10-208 Note: Local effect is \$15.6 million in FY 2018.	25.3	25.3	25.2	25.2
Personal income tax credit for job creation (Job Creation Tax Credit) Legal reference: Art. TG Sec. 10-704.4 Note: Sunsets January 1, 2020.	0.1	0.1	0.1	0.1

**6. Employment-related (Continued)**

	Millions of Dollars			
	FY 15	FY 16	FY 17	FY 18
Personal income tax credit for businesses that create new jobs Legal reference: Art. TG Sec. 10-704.8	0.0	0.0	0.0	0.0
Personal income tax credit for One Maryland project/startup costs Legal reference: Art. TG Sec. 10-714	1.9	2.5	2.5	2.5
Insurance premiums tax credit for job creation. Legal reference: Art. INS Sec. 6-114	0.0	0.0	0.0	0.0
Insurance premiums tax credit for businesses that create new jobs Legal reference: Art. INS Sec. 6-116		No reliable estimate		
Public service company franchise tax credit for job creation Legal reference: Art. TG Sec. 8-411		No reliable estimate		
Subtraction for civil rights violation non-economic damages Legal reference: Art. TG Sec. 10-207 Note: Fiscal estimate from SB 639 (2013)	0.1	0.2	0.2	0.2
<b>Total:</b>	<b>174.3</b>	<b>174.9</b>	<b>174.9</b>	<b>174.8</b>

## 7. Environment

	Millions of Dollars			
	FY 15	FY 16	FY 17	FY 18
Corporate income tax credit for employer-provided commuter benefits Legal reference: Art. TG Sec. 10-715	0.3	0.3	0.3	0.3
Corporate credit for electricity produced from certain qualified energy resources Legal reference: Art. TG Sec 10-720	1.2	1.2	1.2	1.2
Corporate income tax credit for "green buildings" construction and rehabilitation costs Legal reference: Art. TG Sec. 10-722 Note: Claimed entirely against the personal income tax	0.0	0.0	0.0	0.0

**7. Environment (Continued)**

	Millions of Dollars			
	FY 15	FY 16	FY 17	FY 18
Personal income tax subtraction for grants under the Solar Energy Grant Program Legal reference: Art. TG Sec. 10-207 Note: HB 590 (2007).				
Personal income tax subtraction for cost of manure spreading equipment Legal reference: Art. TG Sec. 10-208				
Personal income tax subtraction for certain sewage disposal systems Legal reference: Art. TG Sec. 10-208	0.0	0.0	0.0	0.0
Personal income tax subtraction for conservation and management program expenses Legal reference: Art. TG Sec. 10-208	0.0	0.0	0.0	0.0

7. Environment (Continued)	Millions of Dollars			
	FY 15	FY 16	FY 17	FY 18
Personal income tax credit for employer-provided commuter benefits Legal reference: Art. TG Sec. 10-715	0.1	0.0	0.0	0.0
Individual income tax credits for electricity produced from qualified energy resources Legal reference: Art. TG Sec. 10-720	0.1	0.1	0.0	0.0
Personal income tax credit for "green buildings" construction and rehabilitation costs Legal reference: Art. TG Sec. 10-722 (repealed after FY 2016)	0.7	0.7	Repealed	
Personal income tax credit for easements conveyed to the MD Environmental Trust or MD Agricultural Land Preservation Foundation Legal reference: Art. TG Sec. 10-723	1.0	1.0	0.9	0.9



7. Environment (Continued)	Millions of Dollars			
	FY 15	FY 16	FY 17	FY 18
Insurance premiums tax credit for employer-provided commuter benefits Legal reference: Art. INS Sec. 6-120 Note: Averaged \$61,000 per year between FY 2003 and FY 2008.	Negligible			
Exemption from the sales tax of sales of machinery and equipment used to produce "Energy Star" windows and entry doors Legal reference: Art. TG Sec. 11-210	0.3	0.3	0.3	0.3
Exemption from the sales tax of sales of certain energy-efficient appliances Legal reference: Art. TG Sec. 11-226	No reliable estimate			
Exemption from the sales tax of geothermal, wind or solar energy equipment Legal reference: Art. TG Sec. 11-230	0.4	0.4	0.4	0.4
Exemption from the property tax of residential wind energy equipment and solar energy property Legal reference: Art. TP Sec. 7-242	No reliable estimate			
Exemption from the motor vehicle titling tax for electric vehicles Legal reference: Art. TR Sec. 13-815	0.6	1.8	1.8	1.8
Individual income tax credit for oyster shell recycling Legal reference: Art. TG Sec. 10-724.1	0.0	0.0	0.0	0.0
Corporate income tax credit for oyster shell recycling Legal reference: Art. TG Sec. 10-724.1	Included in individual income tax credit			
<b>Total:</b>	<b>4.7</b>	<b>5.8</b>	<b>5.0</b>	<b>5.0</b>

8. Families	Millions of Dollars			
	FY 15	FY 16	FY 17	FY 18
Exemption from the alcoholic beverage excise tax for family produced wine for personal use or entry into an exhibition Legal reference: Art. TG Sec. 5-104				No reliable estimate
Exemption from the inheritance tax for small estates. Legal reference: Art. TG Sec. 7-203	0.0	0.0	0.0	0.0
Exemption from the inheritance tax of \$500 for grave maintenance Legal reference: Art. TG Sec. 7-203				No reliable estimate
Exemption from the inheritance tax of life insurance benefits Legal reference: Art. TG Sec. 7-203				No reliable estimate
Exemption from the inheritance tax of property passed to lineal beneficiaries or siblings Legal reference: Art. TG Sec. 7-203	52.7	54.8	56.4	58.1
Exemption from the inheritance tax of property passed to domestic partners Legal reference: Art. TG Sec. 7-203	1.0	1.0	1.0	1.0
Exemption from the inheritance tax for family farms qualifying as farmland Legal reference: Art. TP Sec. 8-209				No reliable estimate
Exemption from the property transfer tax for transfers made from estates with no consideration and to and from trusts Legal reference: Art. TP Sec 12-108 and 13-107				No reliable estimate

**8. Families (Continued)**

	Millions of Dollars			
	FY 15	FY 16	FY 17	FY 18
Exemption from the property transfer tax for transfers between domestic partners, former domestic partners or relatives Legal reference: Art. TP Sec 13-207				No reliable estimate
Personal income tax subtraction for two-income married couples Legal reference: Art. TG Sec. 10-207 Note: Local effect is \$23.7 million in FY 2018.	38.5	38.9	38.2	38.2
Certain gross income of child included in parents income Legal reference: Art. TG Sec. 10-208				No reliable estimate
Personal income tax credit for child and dependent care expenses Legal reference: Art. TG Sec. 10-716	8.5	8.6	8.6	8.6
Homestead property tax credit for properties with assessment increases over 10% Legal reference: Art. TP Sec. 9-105 Note: Local governments forego about 16 times the State credits. See SB 520, HB 199 (2010).	0.5	0.6	0.8	1.0
Homeowners' property tax credit Legal reference: Art. TP Sec. 9-104; Art. TG Sec. TP Sec. 9-102	59.5	58.4	59.9	60.0
Renters' property tax relief Legal reference: Art. TP Sec. 9-104; Art. TG Sec. TP Sec. 9-102	2.4	2.3	1.9	3.0

8. Families (Continued)	Millions of Dollars			
	FY 15	FY 16	FY 17	FY 18
Exemption from the sales tax for food consumed off premises Legal reference: Art. TG Sec. 11-206	648.8	666.0	683.1	701.2
Exemption from the sales tax of fuel rate adjustment charges on sales of electricity, etc. used in the common areas of residential condominiums Legal reference: Art. TG Sec. 11-207	0.6	0.6	0.6	0.6
Exemption from the sales tax of sales of fuel electricity, steam, natural or artificial gas, etc. for residential use Legal reference: Art. TG Sec. 11-207	389.0	391.9	398.5	405.3
Exemption from the transfer tax for transfers between spouses, former spouses or relatives Legal reference: Art. TP Sec. 13-207	No reliable estimate			
Exemption from the sales tax for parent-teacher organizations and other nonprofits internal to elementary and secondary schools Legal reference: Art. TG Sec. 11-204; fiscal estimate from HB232 (2013)	0.2	0.2	0.2	0.2
Individual income tax subtraction for unreimbursed expenses of foster parents Legal reference: Art. TG Sec. 10-208	0.0	0.0	0.0	0.0
<b>Total:</b>	<b>1201.7</b>	<b>1223.3</b>	<b>1249.3</b>	<b>1277.3</b>

**9. Fire and Rescue**

	Millions of Dollars			
	FY 15	FY 16	FY 17	FY 18
Personal income tax subtraction for income from fire and ambulance length-of-service awards Legal reference: Art. TG Sec. 10-207				No reliable estimate
Personal income tax subtraction for qualifying volunteer emergency service personnel Legal reference: Art. TG Sec. 10-208 Note: Local effect is \$1.2 million in FY 2018.	2.0	1.9	1.9	1.9
Exemption from the property tax of volunteer fire companies Legal reference: Art. TP Sec. 7-209	0.5	0.5	0.7	0.7
Exemption from the sales tax of sales to fire, rescue and ambulance companies Legal reference: Art. TG Sec. 11-204	1.7	1.8	1.8	1.9
Exemption from the sales tax of sales of food to support fire, rescue and ambulance companies Legal reference: Art. TG Sec. 11-206	0.1	0.1	0.2	0.2
Refund of fuel tax for fuel used in fire and rescue vehicles Legal reference: Art. TG Sec. 13-901	0.1	0.4	0.4	0.4
Exemption of vehicles owned by volunteer fire and rescue companies from vehicle registration fees Legal reference: Art. TR Sec. 13-903 Note: Included in miscellaneous and other registration fee exemptions, all of which are estimated to be \$0.1 million in FY 2018.				Included in Miscellaneous Exemptions

**9. Fire and Rescue (Continued)**

Exemption of fire buff canteen wagons from vehicle registration fees  
Legal reference: Art. TR Sec. 13-903

Exemption from the titling tax of fire engines and fire department apparatus  
Legal reference: Art. TR Sec. 13-810

**Total:**

Millions of Dollars			
<u>FY 15</u>	<u>FY 16</u>	<u>FY 17</u>	<u>FY 18</u>
	No reliable estimate		
	No reliable estimate		
<b>4.5</b>	<b>4.7</b>	<b>5.0</b>	<b>5.1</b>

**10. Handicapped and Disabled**

	Millions of Dollars			
	FY 15	FY 16	FY 17	FY 18
Personal income tax subtraction for disability payments to police and firefighters Legal reference: Art. TG Sec. 10-207	No reliable estimate			
Personal income tax subtraction for contributions to an ABLE account Legal reference: Art. TG Sec. 10-207	Not in existence			No reliable estimate
Personal income tax subtraction for adoption expenses of special-needs children Legal reference: Art. TG Sec. 10-208	No reliable estimate			
Personal income tax subtraction for expenses of providing human or mechanical readers for blind individuals Legal reference: Art. TG Sec. 10-208	No reliable estimate			
Personal income tax credit for wages/child care/transportation for employees with disabilities Legal reference: Art. TG Sec. 10-704.7	Included in corporate income tax			
Insurance premiums tax credit for hiring persons with disabilities Legal reference: Art. INS Sec. 6-115	No reliable estimate			
Exclusion of \$15,000 of assessed value for blind and surviving spouses Legal reference: Art. TP Sec. 7-207 Note: Revenue loss is less than \$40,000 annually.	Negligible			
Public service company franchise tax credit for telephone lifeline service Legal reference: Art. TG Sec. 8-407	0.3	0.3	0.3	0.3





11. Housing	Millions of Dollars			
	FY 15	FY 16	FY 17	FY 18
Personal income tax deduction for home mortgage interest Legal reference: Art. TG Sec. 10-204 Note: Local effect is \$301.8 million in FY 2018.	477.1	467.5	458.2	449.0
Personal income tax deduction for real estate taxes Legal reference: Art. TG Sec. 10-204 Note: Local effect is \$140.7 million in FY 2018.	226.2	233.5	226.9	226.9
Personal income tax credit for property tax paid on owner-occupied residences in specified neighborhoods Legal reference: Art. TG Sec. 10-707	0.2	0.2	0.2	0.2
Exemption of Housing Authorities from the property tax Legal reference: Art. TP Sec. 7-215	2.9	2.9	2.6	2.6
Sales tax exclusion of 40% of the purchase price for retail sales of new mobile homes Legal reference: Art. TG Sec. 11-104	1.1	1.1	1.1	1.1
Exemption from the sales tax of sales of used mobile homes Legal reference: Art. TG 11-213	0.3	0.3	0.3	0.3
Property transfer tax rate halved for first time Maryland homebuyers Legal reference: Art. TP Sec. 13-203	12.4	13.4	14.1	14.4
Exemption from the transfer tax for cooperative housing corporations Legal reference: Art. TP Sec. 13-207	No reliable estimate			
<b>Total:</b>	<b>720.0</b>	<b>718.8</b>	<b>703.3</b>	<b>694.4</b>

12. Interstate Commerce	Millions of Dollars			
	FY 15	FY 16	FY 17	FY 18
Excise tax exemption for alcoholic beverages sold or delivered in the course of interstate commerce Legal reference: Art. TG Sec. 5-104				No reliable estimate
Exemption from the sales tax of sales of food on vehicles engaged in interstate commerce Legal reference: Art. TG Sec. 11-206				No reliable estimate
Exemption from the sales tax of sales of film or tape used in television broadcasting Legal reference: Art. TG Sec. 11-208	0.6	0.7	0.7	0.7
Exemption from the sales tax of sales of marine equipment or machinery for ocean-going vessels Legal reference: Art. TG Sec. 11-208	0.8	0.9	0.9	0.9
Exemption from the sales tax of sales of vehicles used in interstate commerce Legal reference: Art. TG Sec. 11-208	15.6	16.1	16.6	17.1
<b>Total:</b>	<b>17.0</b>	<b>17.7</b>	<b>18.2</b>	<b>18.7</b>

13. Medical and Health	Millions of Dollars			
	FY 15	FY 16	FY 17	FY 18
Exemption from the excise tax for wine or spirits bought by a hospital for medicinal purposes Legal reference: Art. TG Sec. 5-104				No reliable estimate
Corporate income tax subtraction for elevator handrails in health care facilities Legal reference: Art. TG Sec. 10-308				No reliable estimate
Corporate income tax credit for employer-paid long-term care insurance premiums Legal reference: Art. TG Sec. 10-710 Note: Less than \$6,000 annually claimed to date.				Negligible
Individual income tax credit for employer-paid long-term care insurance premiums Legal reference: Art. TG Sec. 10-710	2.5	2.7	2.7	2.7
Corporate income tax credit for practitioners in Health Enterprise Zones Legal reference: Art. TG Sec. 10-731 Note: Funds for these credits come from the Health Enterprise Reserve Fund.	3.0	3.0	3.0	Repealed
Personal income tax deduction for medical expenses Legal reference: Art. TG Sec. 10-204 Note: Local effect is \$56 million in FY 2018.	90.3	90.3	90.3	90.3
Personal income tax subtraction modification for the cost of installing handrails in certain medical facilities Legal reference: Art. TG Sec. 10-208				No reliable estimate
Personal income tax credit for eligible long-term care premiums Legal reference: Art. TG Sec. 10-718	2.9	2.9	2.7	2.7

**13. Medical and Health (Continued)**

	Millions of Dollars			
	FY 15	FY 16	FY 17	FY 18
Personal income tax credit for practitioners in Health Enterprise Zones Legal reference: Art. TG Sec. 10-731 Note: Funds for these credits come from the Health Enterprise Reserve Fund.	0.0	0.0	0.0	0.0
Individual income tax credit for physicians or nurse practitioners who serve without compensation in an approved preceptorship program Legal reference: Art. TG Sec. 10-737	Not in existence		0.1	0.1
Exemption of nonprofit health service plans from the insurance premiums tax Legal reference: Art. INS Sec. 6-101 Note: nonprofit health service plans pay at least 2% of premiums to support specific state projects (for example, the Senior Prescription Drug Assistance Program) in lieu of premium tax payments.	22.8	22.7	26.0	26.0
Insurance premiums tax credit for employer-paid long-term care insurance premiums Legal reference: Art. INS Sec. 6-117			No reliable estimate	

**13. Medical and Health (Continued)**

	Millions of Dollars			
	FY 15	FY 16	FY 17	FY 18
Exemption of nonprofit hospitals and health facilities from the property tax Legal reference: Art. TP Sec. 7-202	7.3	7.4	7.9	7.9
Public service company franchise tax credit for employer-paid long-term care insurance premiums Legal reference: Art. TG Sec. 8-415	No reliable estimate			
Exemption from the sales tax of sales of medicine, medical supplies and health aids Legal reference: Art. TG Sec. 11-211	437.0	458.6	482.7	506.5
Exemption from the titling tax for hearing and vision screening vehicles Legal reference: Art. TR Sec. 13-810	No reliable estimate			
Deduction against estate tax for health insurance costs of spouse Legal reference: Art. TG Sec. 7-309; fiscal effect from HB1031 (2013)	0.5	0.6	0.6	0.6
<b>Total:</b>	<b>566.4</b>	<b>588.2</b>	<b>616.0</b>	<b>636.9</b>

**14. Poverty**

	Millions of Dollars			
	FY 15	FY 16	FY 17	FY 18
Corporate income tax credit for wages/child care/transportation for employees with disabilities Legal reference: Art. TG Sec. 10-704.7	0.0	0.0	0.0	0.0
Non-Refundable Earned Income Tax Credit	88.2	90.0	95.0	99.2
Refundable Earned Income Tax Credit Legal reference: Art. TG Sec. 10-704	110.1	112.3	115.0	119.4
Personal income tax credit for persons with below poverty level incomes Legal reference: Art. TG Sec. 10-709 Note: Local effect is \$23.6 million in FY 2018.	38.0	38.0	38.0	38.0
<b>Total:</b>	<b>236.3</b>	<b>240.3</b>	<b>248.1</b>	<b>256.7</b>

15. Religious	Millions of Dollars			
	FY 15	FY 16	FY 17	FY 18
Exemption from the excise tax for wine bought by a religious organization for sacramental purposes Legal reference: Art. TG Sec. 5-104				No reliable estimate
Exemption of religious organizations from the property tax Legal reference: Art. TP Sec. 7-204	10.8	10.9	9.8	9.8
Exemption from the sales tax of sales by religious organizations Legal reference: Art. TG Sec. 11-204	5.2	5.5	5.7	5.8
Exemption from the sales tax of sales to religious organizations Legal reference: Art. TG Sec. 11-204	15.8	16.6	17.0	17.4
Exemption from the sales tax of sales of food by religious organizations Legal reference: Art. TG Sec. 11-206	8.3	8.5	8.7	8.9
Exemption from registration fees for school vehicles owned by religious organizations Legal reference: Art. TR Sec. 13-903 Note: Included in miscellaneous and other registration fee exemptions, all of which are estimated to be \$0.1 million in FY 2018.				No reliable estimate
Exemption from the titling tax for school vehicles owned by religious organizations Legal reference: Art. TR Sec. 13-810				No reliable estimate
<b>Total:</b>	<b>40.1</b>	<b>41.5</b>	<b>41.3</b>	<b>42.0</b>

16. Veterans and Military	Millions of Dollars			
	FY 15	FY 16	FY 17	FY 18
Personal income tax subtraction for certain military retirement income Legal reference: Art. TG Sec. 10-207	18.8	25.0	25.0	25.0
Personal income tax subtraction for overseas military pay Legal reference: Art. TG Sec. 10-207	No reliable estimate			
Abatement of income tax for US military and civilian employees killed as a result of combat or terrorism Legal reference: Art. TG Sec. 13-908 Note: Less than \$30,000 annually claimed to date.	Negligible			
Exemption of disabled veterans and surviving spouses from the property tax Legal reference: Art. TP Sec. 7-208	1.8	1.9	2.1	2.1
Exemption from the sales tax of sales of food to support veterans' organizations Legal reference: Art. TG Sec. 11-206	1.8	1.9	1.9	2.0
Exemption from the sales tax for sales to veterans' organizations Legal reference: Art. TG Sec. 11-204	0.1	0.1	0.1	0.1
Exemption from registration fees for Civil Air Patrol vehicles Legal reference: Art. TR Sec. 13-903	No reliable estimate			
Exemption from registration fee for vehicles owned by veterans' organizations Legal reference: Art. TR Sec. 13-903 Note: Included in miscellaneous and other registration fee exemptions, all of which are estimated to be \$0.1 million in FY 2018.	No reliable estimate			



**16. Veterans and Military (Continued)**

	Millions of Dollars			
	FY 15	FY 16	FY 17	FY 18
Exemption from registration fees for vehicles owned by disabled veterans Legal reference: Art. TR Sec. 13-903 Note: Included in miscellaneous and other registration fee exemptions, all of which are estimated to be \$0.1 million in FY 2018.	Negligible		0.1	0.1
Exemption from registration fees for the American Legion's "40-8 box car" Legal reference: Art. TR Sec. 13-903 Note: Included in miscellaneous and other registration fee exemptions, all of which are estimated to be \$0.1 million in FY 2018.			No reliable estimate	
Exemption from the titling tax of Civil Air Patrol vehicles Legal reference: Art. TR Sec. 13-810 Note: Included in miscellaneous and other registration fee exemptions, all of which are estimated to be \$0.1 million in FY 2018.			No reliable estimate	
Exemption from the titling tax of vehicles owned by veterans' organizations Legal reference: Art. TR Sec. 13-810			No reliable estimate	
Exemption from the tobacco tax of cigarettes for sale at post exchanges and commissaries Legal reference: Art. TG Sec. 12-104			No reliable estimate	
Exemption from the tobacco tax of other tobacco products for sale at post exchanges and commissaries Legal reference: Art. TG Sec. 12-104			No reliable estimate	
<b>Total:</b>	<b>22.5</b>	<b>28.8</b>	<b>29.2</b>	<b>29.2</b>

17. Volunteer and Nonprofit	Millions of Dollars			
	FY 15	FY 16	FY 17	FY 18
Corporate income tax credit for neighborhood and community assistance contributions Legal reference: Art. TG Sec. 10-704.6	0.1	0.1	0.1	0.1
Refund of fuel tax to state-funded nonprofit transit systems for the elderly, disabled or poor  Legal reference: Art. TG Sec. 13-901 Note: 9.6% of this would be distributed to local governments in FY 2016 as Highway User Revenue.	0.8	1.1	1.1	1.1
Exemption from the inheritance tax for property that passes to qualified nonprofit organizations Legal reference: Art. TG Sec. 7-203			No reliable estimate	
Financial institution franchise tax credit for donations to nonprofit neighborhood revitalization projects Legal reference: Art. TG Sec. 8-215			No reliable estimate	
Exemption of fraternal beneficiary corporations from the insurance premiums tax Legal reference: Art. INS Sec. 6-101	1.9	2.0	2.9	3.0
Insurance premiums tax credit for donations to nonprofit neighborhood revitalization projects  Legal reference: Art. INS Sec. 6-105			No reliable estimate	
Exemption of nonprofit cemetery and mausoleum property from the property tax Legal reference: Art. TP Sec. 7-201	0.2	0.2	0.2	0.2

**17. Volunteer and Nonprofit (Continued)**

	Millions of Dollars			
	FY 15	FY 16	FY 17	FY 18
Exemption of lodges, trade and civic associations, clubs and other nonprofit organizations from the property tax Legal reference: Art. TP Sec. 7-202 Note: Includes charitable organizations, church societies and clubs.	0.6	0.6	0.5	0.5
Exemption of youth camps from the property tax Legal reference: Art. TP Sec. 7-202 Note: Additional legal references: TP 7-212, 233.	0.2	0.2	0.3	0.3
Exemption of the Chesapeake Bay Foundation from the property tax Legal reference: Art. TP Sec. 7-203 Note: Revenue loss is less than \$30,000 annually.			Negligible	
Exemption of community water systems from the property tax Legal reference: Art. TP Sec. 7-205			No reliable estimate	
Exemption of historical societies and war memorials from the property tax Legal reference: Art. TP Sec. 7-214	0.7	0.7	0.1	0.1
Exemption of veterans' organizations from the property tax Legal reference: Art. TP Sec. 7-234	0.5	0.5	0.1	0.1
Public service company franchise tax credit for donations to nonprofit neighborhood revitalization projects Legal reference: Art. TG Sec. 8-412			No reliable estimate	

**17. Volunteer and Nonprofit (Continued)**

	Millions of Dollars			
	FY 15	FY 16	FY 17	FY 18
Individual income tax subtraction for unreimbursed mileage of certain volunteers Legal reference: Art. TG Sec. 10-208		No reliable estimate		
Exemption from the sales tax for food delivered for immediate consumption by a nonprofit vendor Legal reference: Art. TG Sec. 11-206	0.3	0.4	0.4	0.4
Individual income tax credit for donation to permanent endowment fund at a community foundation Legal reference: Art. TG 10-736	0.0	0.2	0.2	0.2
Corporate income tax credit for donation to permanent endowment fund at a community foundation Legal reference: Art. TG 10-736	0.0	0.2	0.2	0.2
<b>Total:</b>	<b>5.3</b>	<b>6.1</b>	<b>6.0</b>	<b>6.1</b>

18. Miscellaneous	Millions of Dollars			
	FY 15	FY 16	FY 17	FY 18
Exemption from the excise tax of alcoholic beverages under a non-beverage permit Legal reference: Art. TG Sec. 5-104	0.0	0.0	0.0	0.0
Miscellaneous exemptions from the boat tax Legal reference: Art. NR Sec. 8-716	0.1	0.1	0.1	0.1
Corporate income tax subtraction for profit on sale of MD state or local bonds Legal reference: Art. TG Sec. 10-307		No reliable estimate		
Corporate income tax subtraction for state tax-exempt interest from mutual funds Legal reference: Art. TG Sec. 10-307		No reliable estimate		
Corporate income tax subtraction for income from state relocation assistance Legal reference: Art. TG Sec. 10-307		No reliable estimate		
'Delaware Holding Company' (DHL) subtraction Legal reference: Art. TG Sec. 10-308	112.3	123.8	94.7	118.4
Various corporate income tax subtractions, not separately estimated Legal reference: Art. TG Sec. 10-307,308	197.7	189.1	188.7	188.7
Corporate income tax credit for rehabilitating historic/heritage structures Legal reference: Art. TG Sec. 10-704.5	0.1	0.1	0.1	0.1
Exemption from the fuel tax for diesel fuel used in vessels Legal reference: Art. TG Sec. 9-303	2.4	2.4	2.4	2.4

**18. Miscellaneous (Continued)**

	Millions of Dollars			
	FY 15	FY 16	FY 17	FY 18
Exemption from the inheritance tax of income accrued on probate assets Legal reference: Art. TG Sec. 7-203				No reliable estimate
Exemption from the inheritance tax of recovered Holocaust assets Legal reference: Art. TG Sec. 7-203				No reliable estimate
Various personal income tax deductions, not otherwise classified Legal reference: Art. TG Sec. 10-204 Note: Local effect is \$13.6 million in FY 2018.	21.9	21.9	21.9	21.9
Personal income tax subtraction for income from state relocation assistance Legal reference: Art. TG Sec. 10-207				No reliable estimate
Personal income tax subtraction for income related to recovered Holocaust assets Legal reference: Art. TG Sec. 10-207				No reliable estimate
Personal income tax subtraction for artwork donated by professional artists Legal reference: Art. TG Sec. 10-208				No reliable estimate
Miscellaneous personal income tax subtraction modifications Legal reference: Art. TG Sec. 10-207,208				No reliable estimate
Personal income tax credit for rehabilitating historic/heritage structures Legal reference: Art. TG Sec. 10-704.5	4.5	4.1	4.3	4.3
Personal income tax credit for contributions for neighborhood and community assistance Legal reference: Art. TG Sec. 10-704.6	0.9	0.9	0.9	0.9

18. Miscellaneous (Continued)	Millions of Dollars			
	FY 15	FY 16	FY 17	FY 18
Exemption of annuities from the insurance premiums tax Legal reference: Art. INS Sec. 6-103	107.5	111.3	118.5	120.9
Insurance premiums tax credit for rehabilitating historic/heritage structures Legal reference: Art. INS Sec. 6-105	4.5	4.1	0.0	0.0
Miscellaneous property tax exemptions. Legal reference: Art. TP Sec. 7-299 Note: Includes property of foreign governments, fairgrounds, solar energy devices, etc.	1.9	1.9	1.9	1.9
Public service company franchise tax credit for rehabilitating historic/heritage structures Legal reference: Art. TG Sec. 8-406	No reliable estimate			
Personal income tax exemption for law enforcement officers residing in the subdivision of employment Legal reference: Art. TG Sec. 10-207	Not in existence	No reliable estimate		
Exemption from the sales tax of sales by State mental hospital gift shops Legal reference: Art. TG Sec. 11-204 Note: There are no gift shops in these institutions	0.0	0.0	0.0	0.0
Exemption from the sales tax of sales by hospital thrift shops Legal reference: Art. TG Sec. 11-204	0.1	0.1	0.1	0.1
Exemption from the sales tax of sales from facilities operated under MD Vending Program for the Blind on military bases Legal reference: Art. TG Sec. 11-204 Note: Estimated revenue cost is under \$15,000 annually.	Negligible			
Exemption from the sales tax of sales of US, Maryland and POW/MIA flags Legal reference: Art. TG Sec. 11-205	No reliable estimate			

18. Miscellaneous (Continued)	Millions of Dollars			
	FY 15	FY 16	FY 17	FY 18
Exemption from the sales tax of sales of certain "snack" and "healthy" foods sold through vending machines Legal reference: Art. TG Sec. 11-206	7.8	8.0	8.1	8.1
Exemption from the sales tax of sales of water through pipes Legal reference: Art. TG Sec. 11-224	36.1	36.5	36.9	37.3
Miscellaneous motor vehicle registration fee exemptions, including fire and rescue vehicles Legal reference: Art. TR Sec. 13-903	2.4	2.4	0.1	0.1
Credit of vehicle titling tax for out-of-state sales or excise tax paid by persons moving to Maryland Legal reference: Art. TR Sec. 13-809	4.3	4.4	4.3	4.3
Excluding the value of trade-ins for the motor vehicle excise tax Legal reference: Art. TR Sec. 13-810	133.1	141.8	149.6	157.9
Exemption from the transfer tax for judgments, orders of satisfaction or participation agreements Legal reference: Art. TP Sec. 13-207			No reliable estimate	
Exemption from transfer tax for land installment contracts, options to purchase real property, or short term leases Legal reference: Art. TP Sec. 13-207			No reliable estimate	
Estate tax exclusion - conservation easements Legal reference: Art. TG Sec. 7-203			No reliable estimate	
Income tax subtraction for discharge of student loan debt due to disability or death Legal reference: Art. TG Sec. 10-207	0.3	0.3	0.3	0.3
Individual income tax credit for registration of tractor-trailers Legal reference: Art. TG Sec. 10-734	0.6	0.6	0.6	0.6



**18. Miscellaneous (Continued)**

Corporate income tax credit for registration of tractor-trailers  
Legal reference: Art. TG Sec. 10-734

**Total:**

Millions of Dollars			
<u>FY 15</u>	<u>FY 16</u>	<u>FY 17</u>	<u>FY 18</u>
0.0	0.0	0.0	0.0
<b>638.6</b>	<b>653.8</b>	<b>633.6</b>	<b>668.4</b>

### III. Incidental Tax Expenditures

#### 1. Administrative Exemptions

	Millions of Dollars			
	FY 15	FY 16	FY 17	FY 18
Corporate income tax subtraction for state or local income tax refunds Legal reference: Art. TG Sec. 10-307		No reliable estimate		
Personal income tax subtraction for taxable refunds Legal reference: Art. TG Sec. 10-207	62.2	61.0	59.8	58.6
Exemption from the alcoholic beverages excise tax for small quantities brought into the state for personal use Legal reference: Art. TG Sec. 5-104		No reliable estimate		
Exemption from the inheritance tax for bequests under \$1,000 Legal reference: Art. TG Sec. 7-203		No reliable estimate		
Exemption from the sales tax for sales through bulk vending machines. Legal reference: Art. TG Sec. 11-201	1.2	1.2	1.2	1.2
Exemption from the sales tax of casual and isolated sales Legal reference: Art. TG Sec. 11-209		No reliable estimate		
Exemption from the tobacco tax for cigarettes brought into the state in small quantities Legal reference: Art. TG Sec. 12-104		No reliable estimate		
Exemption from the tobacco tax for other tobacco products brought into the state in small quantities Legal reference: Art. TG Sec. 12-104		No reliable estimate		
<b>Total:</b>	<b>63.4</b>	<b>62.2</b>	<b>60.9</b>	<b>59.7</b>

**2. Double Taxation**

	Millions of Dollars			
	FY 15	FY 16	FY 17	FY 18
Exemption from the admissions and amusement tax charges or fees to participate in an amateur recreational sports event or league in Baltimore City Legal reference: Art. TG Sec. 4-104	Not in existence		No reliable estimate	
Exemption from the boat tax of vessels titled to a licensed dealer for resale, rental, or leasing purposes Legal reference: Art. NR Sec. 8-716	0.6	0.6	0.6	0.6
Corporate income tax subtraction for gross receipts subject to the public service company franchise tax Legal reference: Art. TG Sec. 10-307			No reliable estimate	
Personal income tax subtraction for Keogh Plan withdrawals taxed at time of deposit Legal reference: Art. TG Sec. 10-207			No reliable estimate	
Personal income tax subtraction for distributions of income when tax was paid by a fiduciary Legal reference: Art. TG Sec. 10-207			No reliable estimate	
Personal income tax credit for tax paid to another state Legal reference: Art. TG Sec. 10-703	324.3	331.1	349.5	365.0
Exemption from the sales tax of separately-stated sales subject to the admissions and amusement tax Legal reference: Art. TG Sec.11-101	0.2	0.2	0.2	0.3
Exemption from the sales tax for expense reimbursement while providing taxable detective services Legal reference: Art. TG Sec. 11-101	0.2	0.2	0.2	0.2
Exemption from the sales tax of admissions subject to the admissions and amusement tax Legal reference: Art. TG Sec. 11-221	69.5	70.2	71.6	73.0

2. Double Taxation (Continued)	Millions of Dollars			
	FY 15	FY 16	FY 17	FY 18
Exemption from the sales tax of certain communications services subject to the federal excise tax Legal reference: Art. TG Sec. 11-221	79.7	82.5	84.2	85.8
Exemption from the sales tax of motor fuels subject to the motor fuel or motor carrier tax Legal reference: Art. TG Sec. 11-221	692.0	726.1	753.2	781.3
Exemption from the sales tax of motor vehicles, except house or office trailers, subject to the motor vehicle excise tax Legal reference: Art. TG Sec. 11-221	786.0	805.7	823.4	841.5
Exemption from the sales tax of trade-in allowance when leasing a vehicle Legal reference: Art. TG Sec. 11-221 Note: Included in exemption for value of trade-ins	0.0	0.0	0.0	0.0
Exemption from the sales tax of long-term motor vehicle leases Legal reference: Art. TG Sec. 11-221	23.9	25.1	26.0	27.0
Exemption from the sales tax of the rental of motion pictures subject to the admissions and amusement tax Legal reference: Art. TG Sec. 11-221		No reliable estimate		
Exemption from the sales tax of sales of vessels subject to the boat excise tax Legal reference: Art. TG Sec. 11-221	18.5	18.7	18.9	19.1
Exemption from the sales tax of sales of materials taxed under other laws Legal reference: Art. TG Sec. 11-221		No reliable estimate		
Exemption from the titling tax of mobile homes over 35 ft. Legal reference: Art. TR Sec. 13-810 Note: Mobile homes over 35 ft., when installed on sites, are taxed as real property.		No reliable estimate		

**2. Double Taxation (Continued)**

	Millions of Dollars			
	FY 15	FY 16	FY 17	FY 18
Exemption from the titling tax of vehicles purchased for short-term rental purposes Legal reference: Art. TR Sec. 13-810	64.5	65.2	78.5	78.9
Exemption from the titling tax for leased vehicles purchased by the lessee Legal reference: Art. TR Sec. 13-810	No reliable estimate		4.5	4.5
Exemption from the titling tax for vehicles transferred into an inter vivos trust if transferor is the beneficiary Legal reference: Art. TR Sec. 13-810	No reliable estimate		1.7	1.7
Exemption from the transfer tax for transfers of supplemental, previously recorded instruments or deeds for prior contract of sale Legal reference: Art. TP Sec. 13-207	No reliable estimate			
<b>Total:</b>	<b>2059.4</b>	<b>2125.7</b>	<b>2212.6</b>	<b>2279.0</b>

### 3. Reciprocal Exemptions

	Millions of Dollars			
	FY 15	FY 16	FY 17	FY 18
Credit against the boat tax for excise tax paid in another state by commercial fishers Legal reference: Art. NR Sec. 8-716	0.2	0.2	0.2	0.2
Reciprocal exemption from inheritance tax for personal property of nonresident decedents Legal reference: Art. TG Sec. 7-203	No reliable estimate			
Refund of fuel tax for fuel taxed in another state Legal reference: Art. TG Sec. 13-901 Note: 9.6% of this would be distributed to local governments in FY 2016 as Highway User Revenue.	5.4	5.4	5.5	5.5
Exemption from the fuel tax for fuel sold for export from the state Legal reference: Art. TG Sec. 9-303 Note: 9.6% of this would be distributed to local governments in FY 2016 as Highway User Revenue.	4.3	2.4	2.4	2.4
Exemption from the sales tax of sales to certain out-of-state nonprofit organizations Legal reference: Art. TG Sec. 11-204	No reliable estimate			
Sales tax exemption for sales of tangible personal property to nonprofit organizations for use in another state Legal reference: Art. TG Sec. 11-216	No reliable estimate			
Exemption from the sales tax of sales of items taxed in another state Legal reference: Art. TG Sec. 11-221	No reliable estimate			



**4. Fuel Used for Non-transportation Purposes**

	Millions of Dollars			
	FY 15	FY 16	FY 17	FY 18
Partial refund of fuel tax for fuel delivery vehicles Legal reference: Art. TG Sec. 13-901		No reliable estimate		
Partial refund of fuel tax for fuel used by concrete mixers. Legal reference: Art. TG Sec. 13-901 Note: 9.6% of this would be distributed to local governments in FY 2016 as Highway User Revenue.	0.4	0.4	0.4	0.4
Partial refund of fuel tax on fuel used by solid waste compactors Legal reference: Art. TG Sec. 13-901 Note: 9.6% of this would be distributed to local governments in FY 2016 as Highway User Revenue.	0.2	0.2	0.2	0.2
Partial refund of fuel tax used by well drillers. Legal reference: Art. TG Sec. 13-901		No reliable estimate		
Partial refund of fuel used by agricultural spreaders Legal reference: Art. TG Sec. 13-901		No reliable estimate		
Refund of fuel tax for fuel used in engines installed permanently at fixed locations Legal reference: Art. TG Sec. 13-901 Note: 9.6% of this would be distributed to local governments in FY 2016 as Highway User Revenue.	1.5	1.5	1.5	1.5
Refund of fuel tax on fuel lost in fire or collision. Legal reference: Art. TG Sec. 13-901		No reliable estimate		
Refund of fuel tax paid for fuel used for commercial purposes other than operation of motor vehicles on public highways Legal reference: Art. TG Sec. 13-901 Note: Principally for marine uses; of this total, 9.6% would be distributed to local governments in FY 2018 as Highway User Revenue.	0.1	0.1	0.1	0.1
<b>Total:</b>	<b>2.2</b>	<b>2.2</b>	<b>2.2</b>	<b>2.2</b>



5. Governments	Millions of Dollars			
	FY 15	FY 16	FY 17	FY 18
Exemption from the boat tax of vessels purchased by the State or its subdivisions Legal reference: Art. NR Sec. 8-716		Negligible		
Excise tax exemption for alcoholic beverage sales on federal reservations Legal reference: Art. TG Sec. 5-104	0.0	0.0	0.0	0.0
Personal income tax subtraction for dividends and interest from U.S. obligations Legal reference: Art. TG Sec. 10-207 Note: Local effect is \$7.3 million in FY 2018.	11.5	11.3	11.1	10.8
Corporate income tax subtraction for interest on U.S. government obligations Legal reference: Art. TG Sec. 10-307	16.1	13.4	13.3	13.3
Exemption from the inheritance tax for property passing to the State or its subdivisions Legal reference: Art. TG Sec. 7-203		No reliable estimate		
Refund of fuel tax for fuel used by the federal government Legal reference: Art. TG Sec. 13-901 Note: 9.6% of this would be distributed to local governments in FY 2016 as Highway User Revenue.	2.3	1.6	1.6	1.7
Refund of fuel tax for fuel used to operate local government bus systems Legal reference: Art. TG Sec. 13-901 Note: 9.6% of this would be distributed to local governments in FY 2016 as Highway User Revenue.	0.6	1.2	1.2	1.3
Exemption from the fuel tax for fuel purchased by the State or its subdivisions Legal reference: Art. TG Sec. 9-303 Note: 9.6% of this would be distributed to local governments in FY 2016 as Highway User Revenue.	8.6	8.6	8.7	8.7

**5. Governments (Continued)**

	Millions of Dollars			
	FY 15	FY 16	FY 17	FY 18
Personal income tax subtraction for employer provided official police/fire vehicles Legal reference: Art. TG Sec. 10-207			No reliable estimate	
Personal income tax subtraction for profits on sale of Maryland State or local bonds Legal reference: Art. TG Sec. 10-207			No reliable estimate	
Personal income tax subtraction for distributions and dividends from mutual funds attributable to US obligations Legal reference: Art. TG Sec. 10-207			No reliable estimate	
Exemption of federal government property from the property tax Legal reference: Art. TP Sec. 7-210,11	13.3	13.5	13.7	13.9
Exemption of local government property from the property tax Legal reference: Art. TP Sec. 7-210,11	15.4	15.6	15.8	16.0
Exemption of state government property from the property tax Legal reference: Art. TP Sec. 7-210,11	9.6	9.5	9.5	9.5
Exemption from the sales tax of sales of government documents, publications, etc. Legal reference: Art. TG Sec. 11-215	4.4	4.6	4.8	4.9
Exemption from the sales tax of sales to the State and its subdivisions Legal reference: Art. TG Sec. 11-220	415.8	436.3	453.8	471.9
Exemption from the sales tax of sales of testing equipment to be transferred to the federal government Legal reference: Art. TG Sec. 11-222			No reliable estimate	

5. Governments (Continued)	Millions of Dollars			
	FY 15	FY 16	FY 17	FY 18
Exemption from the sales tax of sales of buses for use in public transportation systems Legal reference: Art. TG Sec. 11-223	1.4	1.4	1.4	1.5
Exemption from registration fees of vehicles owned by the federal, State, or local governments Legal reference: Art. TR Sec. 13-903	0.1	0.1	0.6	0.6
Exemption from the titling tax of vehicles owned by the federal government Legal reference: Art. TR Sec. 13-102		No reliable estimate		
Exemption from the titling tax of vehicles owned by the State and its subdivisions Legal reference: Art. TR Sec. 13-810	19.4	19.5	19.6	19.7
Exemption from the titling tax of vehicles owned by the U.S. and used in an investigation Legal reference: Art. TR Sec. 13-810		No reliable estimate		
Exemption from the transfer tax of transfers to governments or public agencies Legal reference: Art. TP Sec. 13-207		No reliable estimate		
<b>Total:</b>	<b>518.5</b>	<b>536.7</b>	<b>555.1</b>	<b>573.8</b>

**ALCOHOLIC BEVERAGE TAX**

**Legal reference : Art. TG Sec. 5-104**

**Exemption from the excise tax for:**

Small quantities of alcoholic beverages brought to the state for personal use

Family-produced wine for personal use or entry into an exhibition

Alcoholic beverage sales on federal reservations

Alcoholic beverages sold or delivered in the course of interstate commerce

Wine or spirits bought by a hospital for medicinal purposes

Alcoholic beverages under non-beverage permit

Wine bought by a religious organization for sacramental purposes

	<u>FY 15</u>	<u>FY 16</u>	<u>FY 17</u>	<u>FY 18</u>
		No reliable estimate		
		No reliable estimate		
	0.0	0.0	0.0	0.0
		No reliable estimate		
		No reliable estimate		
	0.0	0.0	0.0	0.0
		No reliable estimate		
<b>Total: State General Funds</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b><i>Total on page iv, Statistical Summary of Categorical Tax Expenditures by Tax, excludes the following:</i></b>				
<b>Alcoholic beverage sales on federal reservations</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>Total on page iv:</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

**EXCISE TAX ON VESSELS**

	<u>FY 15</u>	<u>FY 16</u>	<u>FY 17</u>	<u>FY 18</u>
<b>Legal reference: Art. NR Sec. 8-716</b>				
<b>Exemption from the boat tax for:</b>				
Excludes the value of trade-ins	1.1	1.2	1.2	1.3
Vessels purchased by charitable organizations		Negligible		0.6
Note: Estimated at less than \$30,000 annually before FY 2018.				
Vessels purchased by State or its subdivisions		Negligible		
Vessels titled to a licensed dealer for resale, rental, or leasing purposes	0.6	0.6	0.6	0.6
Miscellaneous boat tax exemptions	0.1	0.1	0.1	0.1
<b>Credit against the boat tax for:</b>				
Excise tax paid in another state by commercial fishers	0.2	0.2	0.2	0.2
<b>Total: State Special Funds</b>	<b>2.0</b>	<b>2.1</b>	<b>2.2</b>	<b>2.8</b>
<b><i>Total on page iv, Statistical Summary of Categorical Tax Expenditures by Tax, excludes the following:</i></b>				
Vessels purchased by the State or its subdivisions	0.0	0.0	0.0	0.0
Vessels titled to a licensed dealer for resale, rental, or leasing purposes	-0.6	-0.6	-0.6	-0.6
Excise tax paid in another state	-0.2	-0.2	-0.2	-0.2
<b><i>Total on page iv:</i></b>	<b>1.2</b>	<b>1.3</b>	<b>1.3</b>	<b>2.0</b>

**CORPORATION INCOME TAX****Legal reference: Art. TG Sec. 10-307****Corporate income tax subtractions for:**

	<u>FY 15</u>	<u>FY 16</u>	<u>FY 17</u>	<u>FY 18</u>
Dividends for domestic corporations claiming foreign tax credits	42.6	46.9	35.9	44.9
Dividends from affiliated domestic international sales corporations		No reliable estimate		
Dividends of related foreign corporations	135.1	106.8	105.7	105.7
Gross receipts subject to the public service company franchise tax		No reliable estimate		
Interest on U.S. obligations	16.1	13.4	13.3	13.3
Profit on sale or exchange of Maryland state or local bonds		No reliable estimate		
Income from State relocation and assistance payments		No reliable estimate		
State or local income tax refunds		No reliable estimate		
State tax-exempt interest from mutual funds		No reliable estimate		

**Legal reference: Art. TG Sec. 10-308****Corporate income tax subtractions for:**

Conservation tillage equipment		No reliable estimate		
Reforestation or timber stand improvement expenses		Negligible		
Wage expenses disallowed under federal targeted jobs credit		No reliable estimate		
Cost of manure spreading equipment		No reliable estimate		
Elevator handrails in health care facilities		No reliable estimate		
Exempt-interest dividends paid by regulated investment companies		No reliable estimate		
Delaware Holding Company' (DHL) subtraction	112.3	123.8	94.7	118.4
Various subtraction modifications not separately estimated	197.7	189.1	188.7	188.7

**CORPORATION INCOME TAX (Continued)**

	<u>FY 15</u>	<u>FY 16</u>	<u>FY 17</u>	<u>FY 18</u>
<b>Legal reference: Art. TG Sec. 10-309</b>				
Gain/loss adjustment on utility company stranded costs	0.0	0.0	0.0	0.0
Note: Subtraction last claimed in TY03 at \$8.6 million.				
<b>Legal reference: Art. TG Sec. 10-702</b>				
<b>Corporate income tax credits for:</b>				
Enterprise zone - credit for wages paid	0.5	0.5	0.5	0.5
Regional Institution Strategic Enterprise Zone - credit for wages paid	0.0	0.1	0.1	0.1
<b>Legal reference: Art. TG Sec. 10-704</b>				
Credit for purchase of Maryland-mined coal	0.0	0.0	0.0	0.0
Note: Corporations take all credits against franchise tax.				
Credit for wages paid to qualified employees (Job Creation Tax Credit)	0.2	0.1	0.1	0.1
Note: Sunsets January 1, 2020.				
Credit for rehabilitating historic/heritage structures	0.1	0.1	0.1	0.1
Credit for neighborhood and community assistance contributions	0.1	0.1	0.1	0.1
Credit for wages/child care/transportation for employees with disabilities	0.0	0.0	0.0	0.0
Credit for businesses that create new jobs	1.0	1.0	1.0	1.0

**CORPORATION INCOME TAX (Continued)**

	<u>FY 15</u>	<u>FY 16</u>	<u>FY 17</u>	<u>FY 18</u>
<b>Legal reference: Art. TG Sec 10-710</b> Credit for employer-paid long-term care insurance premiums Note: Less than \$6,000 annually claimed to date.		Negligible		
<b>Legal reference: Art. TG Sec 10-714</b> Credit for One Maryland project/start-up costs.	7.0	7.0	7.0	7.0
<b>Legal reference: Art. TG Sec 10-715</b> Credit for employer-provided commuter benefits	0.3	0.3	0.3	0.3
<b>Legal reference: Art. TG Sec 10-720</b> Credit for electricity produced from certain qualified energy resources	1.2	1.2	1.2	1.2



**CORPORATION INCOME TAX (Continued)**

	<u>FY 15</u>	<u>FY 16</u>	<u>FY 17</u>	<u>FY 18</u>
<b>Legal reference: Art. TG Sec 10-721</b> Credit for qualified R&D expenses	9.0	9.0	9.0	9.0
<b>Legal reference: Art. TG Sec 10-722</b> Credit for "green buildings" construction and rehabilitation costs Note: Credit claimed entirely against individual income tax	0.0	0.0	0.0	0.0
<b>Legal reference: Art. TG Sec. 10-724.1</b> Corporate income tax credit for oyster shell recycling	Included in individual tax credit			
<b>Legal reference: Art. TG Sec. 10-725</b> Credit for biotechnology investment Note: Credit split between corporate and individual income tax. Cost depends on appropriation: \$12 million for FY 2015 to FY 2017. Proposed FY 2018 appropriation of \$12 million.	1.8	1.8	1.8	1.8
<b>Legal reference: Art. TG Sec. 10-726</b> Credit for cellulosic ethanol technology R&D	0.0	0.0	0.0	0.0
<b>Legal reference: Art. TG Sec 10-727</b> Credit for bio-heating oil for use in space or water heating Note: Sunsets June 30, 2018.	0.0	0.0	0.0	0.0

**CORPORATION INCOME TAX (Continued)**

	<u>FY 15</u>	<u>FY 16</u>	<u>FY 17</u>	<u>FY 18</u>
<b>Legal reference: Art. TG Sec. 10-730</b> Credit for qualified film production entities Note: Credit entirely claimed against corporate income tax. FY 2017 credit is \$11.5 million. FY 2018 is proposed at \$5 million.	7.5	0.0	11.5	5.0
<b>Legal reference: Art. TG Sec. 10-731</b> Credit for practitioners in Health Enterprise Zones Note: Funds for these credits come from the Health Enterprise Reserve Fund.	3.0	3.0	3.0	Repealed
<b>Legal reference: Art. TG Sec. 10-732</b> Credit for employer costs for security clearance Note: Statutorily capped at \$2.0 million for all eligible companies. Credit split between personal and corporate income tax.	1.5	1.5	1.5	1.5
Corporate income tax credit for first-year leases of small businesses performing security-based contracting	2.2	2.3	2.3	2.3
<b>Legal reference: Art. TG Sec. 10-733</b> Credit for cybersecurity investment Note: Credit split between corporate and individual income tax. Proposed at \$2 million in FY 2018.	0.8	1.0	0.0	2.0
<b>Legal reference: Art. TG Sec. 10-734</b> Corporate income tax credit for registration of tractor-trailers	0.0	0.0	0.0	0.0
<b>#REF!</b> Credit against corporate income tax for qualified expenditures at wineries and vineyards	0.5	0.5	0.5	0.5
<b>Legal reference: Art. TG 10-736</b> Corporate income tax credit for donation to permanent endowment fund at a community foundation	0.0	0.2	0.2	0.2
<b>Legal reference: Art. TG Sec. 10-737</b> Corporate income tax credit for aerospace, electronics, or defense contract projects	Not in existence		7.5	7.5

**CORPORATION INCOME TAX (Continued)**

	<u>FY 15</u>	<u>FY 16</u>	<u>FY 17</u>	<u>FY 18</u>
<b>Total:</b>	<b>540.5</b>	<b>509.6</b>	<b>486.1</b>	<b>511.2</b>
Distribution:				
State General Funds portion due to HEIF law (9.15% of gross revenue)	49.5	46.6	44.5	46.8
State Special Funds - Higher Education Investment Fund (6% of gross revenue)	32.4	30.6	29.2	30.7
Subtotal:	<u>458.6</u>	<u>432.4</u>	<u>412.4</u>	<u>433.7</u>
State Special Funds - Transportation Trust Fund (19.5% of net after above distribution before 7/1/16, 17.2% after 7/1/16)	89.4	84.3	70.9	74.6
State General Funds (80.5% of net after above distribution before 7/1/16, 82.8% after 7/1/16)	369.2	348.1	341.5	359.1
<b>Total on page iv, Statistical Summary of Categorical Tax Expenditures by Tax, excludes the following:</b>				
<b>Interest on U.S. Obligations</b>	<u>-16.1</u>	<u>-13.4</u>	<u>-13.3</u>	<u>-13.3</u>
<b>Total on page iv:</b>	<b>524.4</b>	<b>496.2</b>	<b>472.8</b>	<b>497.9</b>
Local Governments (Highway User Revenues)	8.6	8.1	6.8	7.2

**INHERITANCE TAXES**

FY 15      FY 16      FY 17      FY 18

**Legal reference: Art. TG Sec. 7-203**

**Exemption from the inheritance tax for:**

Property passed to lineal beneficiaries and siblings	52.7	54.8	56.4	58.1
Bequests under \$1000		No reliable estimate		
Small estates		No reliable estimate		
\$500 for grave maintenance		No reliable estimate		
Life insurance benefits		No reliable estimate		
Property passing to the State or its subdivisions		No reliable estimate		
Reciprocal exemption for personal property of nonresident decedents		No reliable estimate		
Property that passes to qualified nonprofit organizations		No reliable estimate		
Income accrued on probate assets		No reliable estimate		
Estate tax exclusion - Conservation Easements		No reliable estimate		
Property passed to domestic partners	1.0	1.0	1.0	1.0
Recovered Holocaust assets		No reliable estimate		

**Legal reference: Art. TG Sec. 7-211**

Family farms qualifying as farmland		No reliable estimate		
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**Legal reference: Art. TG Sec. 7-307**

Payment deferral for qualified agricultural property		No reliable estimate		
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**Legal reference: Art. TG Sec. 7-309**

Deduction against estate tax for health insurance costs of spouse	0.5	0.6	0.6	0.6
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<b>Total: State General Funds</b>	<b>54.2</b>	<b>56.4</b>	<b>58.0</b>	<b>59.7</b>
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**MOTOR VEHICLE FUEL TAX****Legal reference: Art. TG Sec. 13-901****Fuel tax refunds for:**

	<u>FY 15</u>	<u>FY 16</u>	<u>FY 17</u>	<u>FY 18</u>
Aviation fuel used for agricultural purposes		No reliable estimate		
Fuel used for agricultural purposes	0.0	0.0	0.0	0.0
Aviation fuel dispensed to aircraft by aircraft manufacturing companies located in the State	0.0	0.0	0.0	0.0
Fuel used by Red Cross		No reliable estimate		
Fuel used in fire and rescue vehicles	0.1	0.4	0.4	0.4
Fuel used by U.S. Government	2.3	1.6	1.6	1.7
Fuel used to operate bus systems of local governments	0.6	1.2	1.2	1.3
Partial refund for fuel used by fuel delivery vehicles		No reliable estimate		
Partial refund for fuel used by concrete mixers	0.4	0.4	0.4	0.4
Partial refund for fuel used by solid waste compactors	0.2	0.2	0.2	0.2
Partial refund for fuel used by well drillers		No reliable estimate		
Partial refund for fuel used by agricultural spreaders		No reliable estimate		
Fuel used in engines installed permanently at fixed locations	1.5	1.5	1.5	1.5
Fuel lost in fire or collision		No reliable estimate		
Fuel used for commercial purposes other than operation of motor vehicles on public highways	0.1	0.1	0.1	0.1
Fuel taxed in another state	5.4	5.4	5.5	5.5
Fuel used by state-funded nonprofit transit systems for the elderly, disabled or poor	0.8	1.1	1.1	1.1

**MOTOR VEHICLE FUEL TAX (Continued)**

	FY 15	FY 16	FY 17	FY 18
<b>Legal reference: Art. TG Sec. 9-303</b>				
<b>Exemption from the fuel tax for:</b>				
Fuel bought by State government or local sub-divisions	8.6	8.6	8.7	8.7
Diesel fuel used in vessels	2.4	2.4	2.4	2.4
Fuel sold for export from the state	4.3	2.4	2.4	2.4
Fuel used in buses owned or operated by a county board of education	Not in existence		No reliable estimate	
<b>Total:</b>	<b>26.7</b>	<b>25.4</b>	<b>25.6</b>	<b>25.7</b>
Distribution:				
State Special Funds - Transportation Trust Fund	24.2	23.3	23.4	23.6
State Special Funds - Chesapeake 2010 Fund	0.4	0.4	0.4	0.4
State Special Funds - Waterway Improvement Fund	0.1	0.1	0.1	0.1
Local Governments (Highway User Revenues)	2.1	1.7	1.7	1.7
<b>Total on page iv, Statistical Summary of Categorical Tax Expenditures by Tax, excludes the following:</b>				
Fuel used by U.S. Government	-2.3	-1.6	-1.6	-1.7
Fuel used to operate bus systems of local governments	-0.6	-1.2	-1.2	-1.3
Partial refund for fuel used by concrete mixers	-0.4	-0.4	-0.4	-0.4
Partial refund for fuel used by solid waste compactors	-0.2	-0.2	-0.2	-0.2
Fuel used in engines installed permanently at fixed locations	-1.5	-1.5	-1.5	-1.5
Fuel used for commercial purposes other than operation of motor vehicles on public highways	-0.1	-0.1	-0.1	-0.1
Fuel taxed in another state	-5.4	-5.4	-5.5	-5.5
Fuel sold for export from the state	-4.3	-2.4	-2.4	-2.4
Fuel bought by State government or local sub-divisions	-8.6	-8.6	-8.7	-8.7
<b>Total on page iv:</b>	<b>3.3</b>	<b>3.9</b>	<b>3.9</b>	<b>3.9</b>

**INDIVIDUAL INCOME TAX**

**Local loss is roughly 62% of the State loss**

**Legal reference: Art.TG Sec. 10-204**

**Itemized deductions for:**

	<u>FY 15</u>	<u>FY 16</u>	<u>FY 17</u>	<u>FY 18</u>
Charitable contributions	242.4	242.4	242.4	242.4
Mortgage interest	477.1	467.5	458.2	449.0
Real estate taxes	226.2	233.5	226.9	226.9
Medical expenses	90.3	90.3	90.3	90.3
Job expenses	138.7	138.7	138.7	138.7
Other itemized deductions	21.9	21.9	21.9	21.9

**Legal reference: Art. TG Sec. 10-207**

**Subtraction modifications for:**

Taxable Refunds	62.2	61.0	59.8	58.6
Dividends and interest from U.S. obligations	11.5	11.3	11.1	10.8
Individual federally taxed social security/railroad retirement benefits	208.5	210.5	211.4	212.5
Two-income married couples	38.5	38.9	38.2	38.2
Grants under the Solar and Geothermal Tax Incentive Grant Program			Negligible	

Note: HB 590 (2007).

**INDIVIDUAL INCOME TAX (Continued)**

	FY 15	FY 16	FY 17	FY 18
<b>Miscellaneous subtraction modifications for:</b>				
Distribution to a beneficiary of accumulated income on which fiduciary has paid tax		No reliable estimate		
Distributions and dividends from mutual funds attributed to US obligations		No reliable estimate		
Employer provided official police/fire vehicles		No reliable estimate		
Disability payments to police and firefighters		No reliable estimate		
Keogh Plan withdrawals taxed at time of deposit		No reliable estimate		
Income from emergency services length-of-service awards		No reliable estimate		
Profits on sale of Maryland state or local bonds		No reliable estimate		
Personal income tax subtraction for income from state relocation assistance		No reliable estimate		
Pickup contributions for pension and retirement systems		No reliable estimate		
Overseas military pay		No reliable estimate		
Military retirement income	18.8	25.0	25.0	25.0
Amounts contributed to prepaid tuition plans		No reliable estimate		
Income related to recovered Holocaust assets		No reliable estimate		
Other miscellaneous subtractions		No reliable estimate		
Income tax subtraction for discharge of student loan debt due to disability or death	0.3	0.3	0.3	0.3
Subtraction for civil rights violation non-economic damages	0.1	0.2	0.2	0.2
Contributions to an ABLE account	Not in existence		No reliable estimate	
Income earned by a law enforcement officer that resides in the subdivision of employment	Not in existence		No reliable estimate	
<b>Legal reference: Art. TG Sec. 10-208</b>				
<b>Subtraction modifications for:</b>				
Employment-related household and dependent care expenses	25.3	25.3	25.2	25.2
Adoption expenses for special-needs children		No reliable estimate		
Expenses of providing human or mechanical readers for blind persons		No reliable estimate		



**INDIVIDUAL INCOME TAX (Continued)**

	FY 15	FY 16	FY 17	FY 18
<b>Miscellaneous subtraction modifications for:</b>				
Cost of installing handrails in certain medical facilities		No reliable estimate		
Conservation tillage equipment expenses		No reliable estimate		
Artwork donated by professional artists		No reliable estimate		
Donated farm products		No reliable estimate		
Reforestation or timber stand expenses		Negligible		
\$3,500 in income of qualifying volunteer emergency service personnel	2.0	1.9	1.9	1.9
Certain gross income of child included in parents income		No reliable estimate		
Unreimbursed mileage of certain volunteers		No reliable estimate		
Salary or wage expenses for targeted jobs		No reliable estimate		
Expense to buy poultry/livestock manure spreading equipment		No reliable estimate		
Contributions to investment accounts	16.6	16.0	16.0	16.0
Note: Applies to the Maryland Prepaid College Trust, Maryland College Investment Plan, the Maryland ABLE Program and to the Maryland Broker-Dealer College Investment Plan. Capped at \$2,500 per contract with the Prepaid Trust and per account holder/beneficiary. As of January 2017, Maryland 529 has not implemented the Maryland Broker-Dealer College Investment Plan. The Maryland ABLE Program is anticipated to launch in late 2017.				
Personal income tax subtraction for certain sewage disposal systems.	0.0	0.0	0.0	0.0
Conservation and management program expenses	0.0	0.0	0.0	0.0
Individual income tax subtraction for unreimbursed expenses of foster parents	0.0	0.0	0.0	0.0
<b>Legal reference: Art. TG Sec. 10-209</b>				
<b>Subtraction modifications for:</b>				
Pension income	164.3	166.0	166.7	167.5

**INDIVIDUAL INCOME TAX (Continued)**

	<u>FY 15</u>	<u>FY 16</u>	<u>FY 17</u>	<u>FY 18</u>
<b>Legal reference: Art. TG Sec. 10-211</b>				
<b>Personal Exemptions:</b>				
Additional exemptions for the blind and elderly	30.0	30.3	30.4	30.6
Personal Exemptions	651.3	657.9	650.1	650.1
<b>Legal reference: Art. TG Sec. 10-217</b>				
<b>Standard Deduction:</b>				
Standard Deduction	144.7	147.7	156.0	162.9
<b>Tax Credits:</b>				
<b>Legal reference: Art. TG Sec. 10-702</b>				
Wages paid in enterprise zone	0.1	0.1	0.3	0.3
Wages paid in Regional Institution Strategic Enterprise Zone			Included in corporate income tax	
<b>Legal reference: Art. TG Sec. 10-703</b>				
Taxes paid by resident to another state	324.3	331.1	349.5	365.0

**INDIVIDUAL INCOME TAX (Continued)**

	<u>FY 15</u>	<u>FY 16</u>	<u>FY 17</u>	<u>FY 18</u>
<b>Legal reference: Art. TG Sec. 10-704</b>				
Non-Refundable Earned Income Tax Credit	88.2	90.0	95.0	99.2
Refundable Earned Income Tax Credit	110.1	112.3	115.0	119.4
Note: State credit is refundable in certain cases.				
Credit for purchase of Maryland-mined coal	0.0	0.0	0.0	0.0
Note: Corporations take all credits against franchise tax.				
Credit for wages paid to qualified employees (Job Creation Tax Credit)	0.1	0.1	0.1	0.1
Note: Sunsets January 1, 2020.				
Credit for rehabilitating historic/heritage structures	4.5	4.1	4.3	4.3
Credit for neighborhood and community assistance contributions	0.9	0.9	0.9	0.9
Credit for wages/child care/transportation for employees with disabilities				
Credit for businesses that create new jobs	0.0	0.0	0.0	0.0
			Included in corporate income tax	
<b>Legal reference: Art. TG Sec. 10-707</b>				
Credit for property tax paid on owner-occupied residences in specified neighborhoods	0.2	0.2	0.2	0.2

**INDIVIDUAL INCOME TAX (Continued)**

	<u>FY 15</u>	<u>FY 16</u>	<u>FY 17</u>	<u>FY 18</u>
<b>Legal reference: Art. TG Sec. 10-709</b> Personal income tax credit for persons with below poverty level incomes	38.0	38.0	38.0	38.0
<b>Legal reference: Art. TG Sec. 10-710</b> Individual income tax credit for employer-paid long-term care insurance premium:	2.5	2.7	2.7	2.7
<b>Legal reference: Art. TG Sec. 10-714</b> Credit for One Maryland project/start-up costs.	1.9	2.5	2.5	2.5
<b>Legal reference: Art. TG Sec. 10-715</b> Credit for cost of providing employee commuter benefits	0.1	0.0	0.0	0.0
<b>Legal reference: Art. TG Sec. 10-716</b> Credit for child and dependent care expenses	8.5	8.6	8.6	8.6
<b>Legal reference: Art. TG Sec. 10-717</b> Credit for expenses for classroom teacher advanced education	4.7	4.7	6.8	6.8

**INDIVIDUAL INCOME TAX (Continued)**

	<u>FY 15</u>	<u>FY 16</u>	<u>FY 17</u>	<u>FY 18</u>
<b>Legal reference: Art. TG Sec. 10-718</b> Credit for eligible long-term care premiums	2.9	2.9	2.7	2.7
<b>Legal reference: Art. TG Sec. 10-720</b> Credit for electricity produced from qualified energy resources	0.1	0.1	0.0	0.0
<b>Legal reference: Art. TG Sec. 10-721</b> Credit for qualified R&D expenses Note: Sunsets July 1, 2021.	0.1	0.1	0.3	0.3
<b>Legal reference: Art. TG Sec. 10-722</b> Credit for "green buildings" construction and rehabilitation costs	0.7	0.7	Repealed	
<b>Legal Reference: Art. TG Sec. 10-723</b> Credit for easements conveyed to the MD Environmental Trust or MD Ag Land Preservation Foundation	1.0	1.0	0.9	0.9
<b>Legal reference: Art. TG Sec. 10-724</b> Credit for up to \$500 for the purchase of aquaculture oyster floats	0.2	0.2	0.2	0.2
<b>Legal reference: Art. TG Sec. 10-724.1</b> Individual income tax credit for oyster shell recycling	0.0	0.0	0.0	0.0

**INDIVIDUAL INCOME TAX (Continued)**

	<u>FY 15</u>	<u>FY 16</u>	<u>FY 17</u>	<u>FY 18</u>
<b>Legal reference: Art. TG Sec. 10-725</b> Credit for biotechnology investment Note: Credit split between corporate and individual income tax. Cost depends on appropriation: \$12 million for FY 2015 to FY 2017. Proposed FY 2018 appropriation of \$12 million.	10.2	10.2	10.2	10.2
<b>Legal reference: Art. TG Sec. 10-726</b> Credit for cellulosic ethanol technology R&D	0.0	0.0	0.0	0.0
<b>Legal reference: Art. TG Sec. 10-727</b> Credit for bio-heating oil for use in space or water heating Note: Sunsets June 30, 2018.		No reliable estimate		
<b>Legal reference: Art. TG Sec. 10-730</b> Credit for qualified film production entities Note: Credit entirely claimed against corporate income tax. FY 2017 credit is \$11.5 million. FY 2018 is proposed at \$5 million.	0.0	0.0	0.0	0.0

**INDIVIDUAL INCOME TAX (Continued)**

	FY 15	FY 16	FY 17	FY 18
<b>Legal reference: Art. TG Sec. 10-731</b> Credit for practitioners in Health Enterprise Zones Note: Funds for these credits come from the Health Enterprise Reserve Fund.	0.0	0.0	0.0	0.0
<b>Legal reference: Art. TG Sec. 10-732</b> Credit for employer costs for security clearance Note: Statutorily capped at \$2.0 million for all eligible companies. Credit split between personal and corporate income tax.	0.5	0.5	0.5	0.5
Individual income tax credit for first-year leases of small businesses performing security-based contracting	0.0	0.0	0.0	0.0
<b>Legal reference: Art. TG Sec. 10-733</b> Credit for cybersecurity investment Note: Credit split between corporate and individual income tax. Proposed at \$2 million in FY 2018.	Included in corporate income tax			
<b>Legal reference: Art. TG Sec. 10-734</b> Individual income tax credit for registration of tractor-trailers	0.6	0.6	0.6	0.6
<b>Legal reference: Art. TG Sec. 10-735</b> Credit against individual income tax for qualified expenditures at wineries and vineyards	Included in corporate income tax			
<b>Legal reference: Art. TG 10-736</b> Individual income tax credit for donation to permanent endowment fund at a community foundation	0.0	0.2	0.2	0.2
<b>Legal reference: Art. TG Sec. 10-737</b> Individual income tax credit for physicians or nurse practitioners who serve without compensation in an approved preceptorship program	Not in existence		0.1	0.1
Individual income tax credit for aerospace, electronics, or defense contract projects	Not in existence	Included in corporate income tax		
Individual income tax credit for contributions to investment accounts	Not in existence			5.0
<b>Legal reference: Art. TG Sec. 10-740</b> Individual income tax credit for student loan debt	Not in existence		5.0	5.0

**INDIVIDUAL INCOME TAX (Continued)**

	<u>FY 15</u>	<u>FY 16</u>	<u>FY 17</u>	<u>FY 18</u>
<b>Miscellaneous Provisions:</b>				
<b>Legal reference: Art. TG Sec. 13-908</b>				
Abatement of income tax for U.S. military/civilian employees killed as a result of combat or terrorism			Negligible	
Note: Less than \$30,000 annually claimed to date.				
<b>Total: State General Funds</b>	<b>3,171.3</b>	<b>3,198.7</b>	<b>3,215.7</b>	<b>3,243.2</b>
<i>Total on page iv, Statistical Summary of Categorical Tax Expenditures by Tax, excludes the following:</i>				
<b>Structural Tax Expenditures</b>	<b>-796.1</b>	<b>-805.6</b>	<b>-806.1</b>	<b>-813.0</b>
<b>Taxable Refunds</b>	<b>-62.2</b>	<b>-61.0</b>	<b>-59.8</b>	<b>-58.6</b>
<b>Dividends and interest on U.S. Obligations</b>	<b>-11.5</b>	<b>-11.3</b>	<b>-11.1</b>	<b>-10.8</b>
<b>Taxes paid by resident to another state</b>	<b>-324.3</b>	<b>-331.1</b>	<b>-349.5</b>	<b>-365.0</b>
<b>Total on page iv:</b>	<b>1,977.2</b>	<b>1,989.7</b>	<b>1,989.3</b>	<b>1,995.7</b>



**INSURANCE PREMIUM TAX**

	<u>FY 15</u>	<u>FY 16</u>	<u>FY 17</u>	<u>FY 18</u>
<b>Exemptions from the tax for:</b>				
<b>Legal reference: INS Sec. 6-101</b>				
Premiums for nonprofit health service plans	22.8	22.7	26.0	26.0
Note: nonprofit health service plans pay at least 2% of premiums to support specific state projects (for example, the Senior Prescription Drug Assistance Program) in lieu of premium tax payments.				
Premium for fraternal beneficiary corporations	1.9	2.0	2.9	3.0
<b>Legal reference: Ins. Sec. 6-103</b>				
Annuities	107.5	111.3	118.5	120.9
<b>Tax credits for:</b>				
<b>Legal reference: Art. Ins. Sec. 6-105</b>				
Rehabilitating historic/heritage structures	4.5	4.1	0.0	0.0
Donations to nonprofit neighborhood revitalization projects		No reliable estimate		
<b>Legal reference: Art. Ins. Sec. 6-114</b>				
Job creation	0.0	0.0	0.0	0.0

**INSURANCE PREMIUM TAX (Continued)**

**Legal reference: Art. Ins. Sec. 6-115**

Expenses for hiring qualified employees with disabilities

FY 15

FY 16

FY 17

FY 18

No reliable estimate

**Legal reference: Art. Ins. Sec. 6-116**

Businesses that create new jobs

No reliable estimate

**Legal reference: Art. Ins. Sec. 6-117**

Expenses for employer-paid long-term care insurance premiums

No reliable estimate

**Legal reference: Art. Ins. Sec. 6-119**

Costs associated with One Maryland economic development projects.

Included in corporate and individual income tax

**Legal reference: Art. Ins. Sec. 6-120**

Expenses for employer-provided commuter benefits

Negligible

Note: Averaged \$61,000 per year between FY 2003 and FY 2008.

**Total: State General Funds**

**136.7**

**140.1**

**147.4**

**149.9**

**MOTOR VEHICLE TITLING TAX**

**Legal reference: Art. TR Sec. 13-102**

**Exemptions from vehicle titling requirement for:**

Farm equipment

No reliable estimate

Vehicles owned by federal government

No reliable estimate

**Legal reference: Art. TR Sec. 13-809**

**Credit of vehicle titling tax for:**

Out-of-state sales or excise tax paid by persons moving to Maryland

4.3

4.4

4.3

4.3

**Legal reference: Art. TR Sec. 13-810**

**Exemption from the titling tax for:**

Registered passenger buses

19.2

19.3

19.4

19.5

Registered truck tractors

No reliable estimate

Included in passenger buses

Vehicles owned by state and its subdivisions

19.4

19.5

19.6

19.7

Vehicles purchased for short-term rental purposes

64.5

65.2

78.5

78.9

Leased vehicles purchased by the lessee

No reliable estimate

4.5

4.5

**Miscellaneous exemptions for:**

Red Cross vehicles

No reliable estimate

Mobile homes over 35 feet

No reliable estimate

Buses used for public school transportation

No reliable estimate

Vehicles owned by private schools

No reliable estimate

**MOTOR VEHICLE TITLING TAX (Continued)**

	<u>FY 15</u>	<u>FY 16</u>	<u>FY 17</u>	<u>FY 18</u>
Fire engines and fire department apparatus		No reliable estimate		
Vehicles owned by U.S. and used in an investigation		No reliable estimate		
Buses used for handicapped transportation		Included in passenger buses		
Reciprocal exemption from titling tax for out-of-state law enforcement vehicles		No reliable estimate		
School buses owned by religious organizations		No reliable estimate		
Civil Air Patrol vehicles		No reliable estimate		
Vehicles owned by veterans' organizations		No reliable estimate		
Hearing and vision screening vehicles		No reliable estimate		
Vehicles transferred into an inter vivos trust if transferor is the beneficiary	No reliable estimate		1.7	1.7
Excluding the value of trade-ins	133.1	141.8	149.6	157.9
Miscellaneous titling tax exemptions		No reliable estimate		
<b>Legal reference: Art. TR Sec. 13-815</b>				
<b>Exemption from the titling tax for:</b>				
Electric vehicles	0.6	1.8	1.8	1.8
<b>Total:</b>	<b>241.1</b>	<b>252.0</b>	<b>279.4</b>	<b>288.3</b>
Distribution:				
State General Funds	0.0	0.0	1.0	2.0
Net State Special Funds - Transportation Trust Fund	225.6	235.8	260.4	267.7
Local Governments (Highway User Revenues)	15.5	16.2	18.0	18.5
<b>Total on page iv, Statistical Summary of Categorical Tax Expenditures by Tax, excludes the following:</b>				
<b>Vehicles purchased for short-term rental purposes</b>	<b>-64.5</b>	<b>-65.2</b>	<b>-78.5</b>	<b>-78.9</b>
<b>Total on page iv:</b>	<b>176.6</b>	<b>186.8</b>	<b>200.9</b>	<b>209.4</b>

**STATE PROPERTY TAX**

	<u>FY 15</u>	<u>FY 16</u>	<u>FY 17</u>	<u>FY 18</u>
<b>Exemptions for property used for or by:</b>				
<b>Legal reference: Art. TP Sec. 7-201</b>				
Nonprofit cemetery and mausoleum property	0.2	0.2	0.2	0.2
<b>Legal reference: Art. TP Sec. 7-202</b>				
Educational uses	26.2	26.5	23.7	23.7
Nonprofit housing for the elderly	0.5	0.6	0.5	0.5
Nonprofit hospitals and health facilities	7.3	7.4	7.9	7.9
Lodges, trade and civic associations, clubs, and other nonprofit organizations	0.6	0.6	0.5	0.5
Note: Includes charitable organizations, church societies and clubs.				
Youth camps	0.2	0.2	0.3	0.3
Note: Additional legal references: TP 7-212, 233.				
<b>Legal reference: Art. TP Sec. 7-203</b>				
The Chesapeake Bay Foundation		Negligible		
Note: Revenue loss is less than \$30,000 annually.				
<b>Legal reference: Art. TP Sec. 7-204</b>				
Religious organizations	10.8	10.9	9.8	9.8

**STATE PROPERTY TAX (Continued)**

	<u>FY 15</u>	<u>FY 16</u>	<u>FY 17</u>	<u>FY 18</u>
<b>Legal reference: Art. TP Sec. 7-205</b> Community water systems		No reliable estimate		
<b>Legal reference: Art. TP Sec. 7-206</b> Continuing care facilities for the aged		No reliable estimate		
<b>Legal reference: Art. TP Sec. 7-207</b> Exclusion of \$15,000 of assessed value for blind and surviving spouses Note: Revenue loss is less than \$40,000 annually.		Negligible		
<b>Legal reference: Art. TP Sec. 7-208</b> Disabled veterans and surviving spouses	1.8	1.9	2.1	2.1
<b>Legal reference: Art. TP Sec. 7-209 F.N. for HB114 effective FY07</b> Volunteer fire companies	0.5	0.5	0.7	0.7
<b>Legal reference: Art. TP Sec. 7-210,11</b> Federal government property	13.3	13.5	13.7	13.9
Local government property	15.4	15.6	15.8	16.0
State government property	9.6	9.5	9.5	9.5
Property used for heating/cooling of state owned/occupied property Note: No revenue loss; properties potentially affected are already tax exempt.	0.0	0.0	0.0	0.0
<b>Legal reference: Art. TP Sec. 7-214</b> Historical societies and war memorials	0.7	0.7	0.1	0.1
<b>Legal reference: Art. TP Sec. 7-215</b> Housing authorities	2.9	2.9	2.6	2.6

**STATE PROPERTY TAX (Continued)**

	<u>FY 15</u>	<u>FY 16</u>	<u>FY 17</u>	<u>FY 18</u>
<b>Legal reference: Art. TP Sec. 7-234</b> Veterans' organizations	0.1	0.1	0.1	0.1
<b>Legal reference: Art. TP Sec. 7-242</b> Wind Energy Equipment and Solar energy property		No reliable estimate		
<b>Legal reference: Art. TP Sec. 7-299</b> Miscellaneous property tax exemptions Note: Includes property of foreign governments, fairgrounds, solar energy devices, etc.	1.9	1.9	1.9	1.9
<b>Legal reference: Art. TP Sec. 7-303</b> Landing areas at privately owned, public use airports Note: Tax expenditure is under \$5,000 annually.		Negligible		
<b>Legal reference: Art. TP Sec. 9-105</b> Homestead property tax credit for properties with assessment increases over 10% Note: Local governments forego about 16 times the State credits. See SB 520, HB 199 (2010).	0.5	0.6	0.8	1.0

**STATE PROPERTY TAX (Continued)**

	<u>FY 15</u>	<u>FY 16</u>	<u>FY 17</u>	<u>FY 18</u>
<b>Legal reference: Art. TP Sec. 9-104; Art. TG Sec. TP Sec. 9-102</b>				
Homeowners' Tax Credits	59.5	58.4	59.9	60.0
Renters' Tax Credit	2.4	2.3	1.9	3.0
<b>Legal reference: Art. TP Sec. 9-103</b>				
Urban Enterprise Zone Tax Credit	13.5	16.5	19.7	22.4
<b>Legal reference: Art. ED Sec. 5-105</b>				
BRAC Zone Tax Credit	0.7	0.8	0.8	2.1
<b>Total: State Special Funds</b>	<b>168.6</b>	<b>171.6</b>	<b>172.5</b>	<b>178.3</b>
<i>Total on page iv, Statistical Summary of Categorical Tax Expenditures by Tax, excludes the following:</i>				
Federal government property	-13.3	-13.5	-13.7	-13.9
Local government property	-15.4	-15.6	-15.8	-16.0
State government property	-9.6	-9.5	-9.5	-9.5
<b>Total on page iv:</b>	<b>130.3</b>	<b>133.0</b>	<b>133.5</b>	<b>138.9</b>



**PUBLIC SERVICE CO. FRANCHISE TAX**

	<u>FY 15</u>	<u>FY 16</u>	<u>FY 17</u>	<u>FY 18</u>
<b>Legal reference: Art. TG Sec. 8-401</b> Exemption for internet services		No reliable estimate		
<b>Tax Credits for:</b>				
<b>Legal reference: Art. TG Sec. 8-406</b> Purchase of MD-mined coal. Note: Capped at \$6 million in FY 2015. Begin phase out in FY 2016, cap at \$3 million.	6.0	3.0	3.0	3.0
<b>Legal reference: Art. TG Sec. 8-407</b> Telephone lifeline service	0.3	0.3	0.3	0.3
<b>Legal reference: Art. TG Sec. 8-411</b> Job creation		No reliable estimate		
<b>Legal reference: Art. TG Sec. 8-412</b> Donations to nonprofit neighborhood revitalization projects		No reliable estimate		
<b>Legal reference: Art. TG Sec. 8-413</b> Expenses for hiring qualified employees with disabilities		No reliable estimate		

**PUBLIC SERVICE CO. FRANCHISE TAX (Continued)**

	<u>FY 15</u>	<u>FY 16</u>	<u>FY 17</u>	<u>FY 18</u>
<b>Legal reference: Art. TG Sec. 8-415</b> Expenses for employer-paid long-term care insurance premiums		No reliable estimate		
<b>Legal reference: Art. TG Sec 8-417</b> Sales to large industrial customers for production activity	1.5	1.5	1.5	1.5
<b>Legal Reference: Art. TG Sec. 8-214</b> Financial institution franchise tax credit for donations to nonprofit neighborhood revitalization projects		No reliable estimate		
<b>Total: State General Funds</b>	<b>7.8</b>	<b>4.8</b>	<b>4.8</b>	<b>4.8</b>

**SALES AND USE TAX****Legal Reference: Art. TG Sec. 4-104**

Exemption from the admissions and amusement tax charges or fees to participate in an amateur recreational sports event or league in Baltimore City

<u>FY 15</u>	<u>FY 16</u>	<u>FY 17</u>	<u>FY 18</u>
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Not in existence

No reliable estimate

**Exemptions or exclusions for:****Legal reference: Art. TG Sec. 11-101**

"Core value" of used truck parts exchanged for remanufactured parts  
Expense reimbursements while providing taxable detective resources  
Separately-stated Admissions and Amusement tax charges

0.1	0.1	0.1	0.1
0.2	0.2	0.2	0.2
0.2	0.2	0.2	0.3

**Legal reference: Art. TG Sec. 11-104**

40% of the purchase price for retail sales of new mobile homes

1.1	1.1	1.1	1.1
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**Legal reference: Art. TG Sec. 11-201**

Sales for agricultural purposes or of agricultural products  
Sales through bulk vending machines

204.6	215.0	222.2	235.6
1.2	1.2	1.2	1.2

**Legal reference: Art. TG Sec. 11-204**

Sales to cemetery companies  
Sales to credit unions  
Sales to charitable organizations  
Sales for fund raising to benefit schools/students  
Sales to educational organizations  
Sales under \$500 to nonprofit senior citizens' organizations  
Sales to fire, rescue, and ambulance companies  
Exemption from the sales tax for parent-teacher organizations and other nonprofits internal to elementary and secondary schools

No reliable estimate

	No reliable estimate		
0.3	0.4	0.4	0.4
110.3	115.7	119.2	122.7
1.4	1.5	1.5	1.6
12.8	13.5	14.0	14.6
	No reliable estimate		
1.7	1.8	1.8	1.9
0.2	0.2	0.2	0.2

**SALES AND USE TAX (Continued)**

	<u>FY 15</u>	<u>FY 16</u>	<u>FY 17</u>	<u>FY 18</u>
Sales by hospital thrift shops	0.1	0.1	0.1	0.1
Sales by State mental hospital gift shops	0.0	0.0	0.0	0.0
Note: There are no gift shops in these institutions				
Facilities operated under MD Vending Program for the Blind on military bases		Negligible		
Note: Estimated revenue cost is under \$15,000 annually.				
Sales to certain out-of-state nonprofit organizations		No reliable estimate		
Sales to veterans' organizations	0.1	0.1	0.1	0.1
Sales to religious organizations	15.8	16.6	17.0	17.4
Sales by religious organizations	5.2	5.5	5.7	5.8
Exemption from the sales tax for parent-teacher organizations and other nonprofits internal to elementary and secondary schools	0.2	0.2	0.2	0.2
<b>Legal reference: Art. TG Sec. 11-205</b>				
Sales of US, Maryland and POW/MIA flags		No reliable estimate		
<b>Legal reference: Art. TG Sec. 11-206</b>				
Sales of crabs and seafood for consumption off premises	2.6	2.6	2.7	2.8
Sales of food at schools, colleges and universities	24.5	25.2	25.8	26.4
Sales of food for consumption off premises	648.8	666.0	683.1	701.2
Sales of food to support fire, rescue and ambulance companies	0.1	0.1	0.2	0.2
Sales of food on vehicles engaged in interstate commerce		No reliable estimate		
Note: Comptroller believes that such sales would be exempt under the U.S. Constitution.				
Sales of certain "snack" and "healthy" foods sold through vending machines	7.8	8.0	8.1	8.1
Sales of food by religious organizations	8.3	8.5	8.7	8.9

**SALES AND USE TAX (Continued)**

	<u>FY 15</u>	<u>FY 16</u>	<u>FY 17</u>	<u>FY 18</u>
Sales of food to support veterans' organizations	1.8	1.9	1.9	2.0
Food delivered for immediate consumption by a nonprofit vendor	0.3	0.4	0.4	0.4
<b>Legal reference: Art. TG Sec. 11-207</b>				
Residential sales of electricity to a nonprofit planned retirement community	0.3	0.3	0.3	0.3
Fuel rate adjustment charges on sales of electricity, etc. used in the common areas of residential condominiums	0.6	0.6	0.6	0.6
Residential sales of fuel, electricity, steam, natural or artificial gas, etc.	389.0	391.9	398.5	405.3
<b>Legal reference: Art. TG Sec. 11-208</b>				
Sales of film or tape used in television broadcasting	0.6	0.7	0.7	0.7
Sales of marine equipment or machinery for ocean-going vessels	0.8	0.9	0.9	0.9
Sales of vehicles used in interstate commerce	15.6	16.1	16.6	17.1
<b>Legal reference: Art. TG Sec. 11-209</b>				
Casual and isolated sales		No reliable estimate		
Certain transfers of business property		No reliable estimate		

**SALES AND USE TAX (Continued)**

	<u>FY 15</u>	<u>FY 16</u>	<u>FY 17</u>	<u>FY 18</u>
<b>Legal reference: Art. TG Sec. 11-210</b>				
Sales of tangible personal property used predominantly in a production activity	103.0	106.7	109.9	113.2
Sales of certain bakery equipment		No reliable estimate		
Note: Estimated at under \$25,000 annually.				
Sales of machinery and utilities used to produce bituminous concrete	0.3	0.3	0.3	0.3
Sales of machinery and equipment used to produce "Energy Star" windows and entry doors	0.3	0.3	0.3	0.3
<b>Legal reference: Art. TG Sec. 11-211</b>				
Sales of medicine, medical supplies and health aids	437.0	458.6	482.7	506.5
<b>Legal reference: Art. TG Sec. 11-212</b>				
Sales of wood products for mining purposes		No reliable estimate		
Sales of diesel fuel used in coal mine reclamation		No reliable estimate		
Note: Less than \$20,000 annually.				
<b>Legal reference: Art. TG Sec. 11-213</b>				
Sale of used mobile homes	0.3	0.3	0.3	0.3
<b>Legal reference: Art. TG Sec 11-214</b>				
Use of nonresidential personal property		No reliable estimate		
Sales of precious metal coins or bullion over \$1,000	3.0	3.0	3.1	3.1

**SALES AND USE TAX (Continued)**

	<u>FY 15</u>	<u>FY 16</u>	<u>FY 17</u>	<u>FY 18</u>
<b>Legal reference: Art. TG Sec. 11-215</b>				
Sales and printing of free newspapers	4.0	4.2	4.2	4.2
Sales of out-of-state direct mail advertising materials	4.6	4.9	5.0	5.1
Sales of photographic and artistic materials used in publication	12.2	12.8	13.3	13.9
Sales of government documents, publications, etc.	4.4	4.6	4.8	4.9
<b>Legal reference: Art. TG Sec. 11-216</b>				
Sales of tangible personal property to nonprofit organizations for use in another state		No reliable estimate		
<b>Legal reference: Art. TG Sec. 11-217</b>				
Certain sales for R&D purposes	22.1	22.9	23.7	24.6
<b>Legal reference: Art. TG Sec. 11-218</b>				
Sales of seafood harvesting equipment	2.5	2.6	2.7	2.8
Sales of fuel or repair parts for commercial vessels		No reliable estimate		
<b>Legal reference: Art. TG Sec. 11-219</b>				
Optional computer software maintenance contracts	7.8	8.2	8.6	9.1
<b>Legal reference: Art. TG Sec. 11-220</b>				
Sales to the State and its subdivisions	415.8	436.3	453.8	471.9
<b>Legal reference: Art. TG Sec. 11-221</b>				
Long-term motor vehicle leases	23.9	25.1	26.0	27.0
Sales of motor fuel subject to the motor fuel or motor carrier tax	692.0	726.1	753.2	781.3

**SALES AND USE TAX (Continued)**

	<u>FY 15</u>	<u>FY 16</u>	<u>FY 17</u>	<u>FY 18</u>
Sales of motor vehicles, except house/office trailers, subject to the motor vehicle excise tax	786.0	805.7	823.4	841.5
Trade-in allowance against motor vehicle excise tax	133.1	141.8	149.6	157.9
Sales of admissions subject to the Admissions and Amusement tax	69.5	70.2	71.6	73.0
Sales of materials taxed under other laws		No reliable estimate		
Sales of vessels subject to the boat excise tax	18.5	18.7	18.9	19.1
Sales of certain communications services subject to the federal excise tax	79.7	82.5	84.2	85.8
Sales of rentals of motion pictures subject to the Admissions and Amusement tax		No reliable estimate		
Sales of items taxed in another state		No reliable estimate		
<b>Legal reference: Art. TG Sec. 11-222</b>				
Sales of testing equipment to be transferred to U.S. Government		No reliable estimate		
<b>Legal reference: Art. TG Sec. 11-223</b>				
Sales of buses for use in public transportation systems	1.4	1.4	1.4	1.5
<b>Legal reference: Art. TG Sec. 11-224</b>				
Sales of water through pipes	36.1	36.5	36.9	37.3



**SALES AND USE TAX (Continued)**

	<u>FY 15</u>	<u>FY 16</u>	<u>FY 17</u>	<u>FY 18</u>
<b>Legal reference: Art. TG Sec. 11-225</b> Sales of certain computer programs	2.4	2.5	2.6	2.6
<b>Legal reference: Art. TG Sec. 11-226</b> Sales of certain energy-efficient appliances		No reliable estimate		
Sales of multifuel pellet stoves designed to burn agricultural field corn		No reliable estimate		
<b>Legal reference: Art. TG Sec. 11-227</b> Sales of property or services used in film production activity	0.7	0.7	0.7	0.7
<b>Legal reference: Art. TG Sec. 11-228</b> Back to school clothing and footwear tax free period	10.9	11.4	11.7	12.0
<b>Legal reference: Art. TG Sec. 11-229</b> Sales of power to operate machinery used to produce snow for commercial purposes		No reliable estimate		
<b>Legal reference: Art. TG Sec. 11-230</b> Sales of geothermal, wind or solar energy equipment	0.4	0.4	0.4	0.4

**SALES AND USE TAX (Continued)**

	FY 15	FY 16	FY 17	FY 18
<b>Legal reference: Art. TG Sec. 11-231</b>				
Sales of space at Corporate Training Centers	0.4	0.4	0.4	0.4
Note: Tax exempt per HB 855 (2010).				
<b>Legal reference: Art. TG Sec. 11-232</b>				
Sales of construction material or warehousing equipment for use in Baltimore County on property previously owned by Bethlehem Steel	Not in existence		No reliable estimate	
<b>Total:</b>	<b>4,329.0</b>	<b>4,485.6</b>	<b>4,627.4</b>	<b>4,779.1</b>
Distribution:				
State General Funds	4,329.0	4,485.6	4,627.4	4,779.1
State Special Funds - Transportation Trust Fund	0.0	0.0	0.0	0.0
<b>Total on page iv, Statistical Summary of Categorical Tax Expenditures by Tax, excludes the following:</b>				
Expense reimbursements while providing taxable detective resources	-0.2	-0.2	-0.2	-0.2
Sales through bulk vending machines	-1.2	-1.2	-1.2	-1.2
Separately-stated Admissions and Amusement tax charges.	-0.2	-0.2	-0.2	-0.3
Sales of admissions subject to the Admissions and Amusement tax	-69.5	-70.2	-71.6	-73.0
Sales of government documents, publications, etc.	-4.4	-4.6	-4.8	-4.9
Sales to the State and its political subdivisions	-415.8	-436.3	-453.8	-471.9
Long-term motor vehicle leases	-23.9	-25.1	-26.0	-27.0
Sales of motor fuel subject to the motor fuel or motor carrier tax	-692.0	-726.1	-753.2	-781.3
Sales of motor vehicles, except house/office trailers, subject to motor vehicle excise tax	-919.1	-947.5	-973.0	-999.4
Sales of vessels subject to the boat excise tax	-18.5	-18.7	-18.9	-19.1
Sales of certain communications services subject to the federal excise tax	-79.7	-82.5	-84.2	-85.8
Sales of buses for use in public transportation systems	-1.4	-1.4	-1.4	-1.5
<b>Total on page iv:</b>	<b>2,103.0</b>	<b>2,171.6</b>	<b>2,238.9</b>	<b>2,313.5</b>



**MOTOR VEHICLE REGISTRATION FEES****Legal reference: Art. TR Sec. 13-903****Exemption from registration fees for:**

	FY 15	FY 16	FY 17	FY 18
Vehicles owned by federal, State, or local governments	0.1	0.1	0.6	0.6
Fire and rescue vehicles		No reliable estimate		
Vehicles owned by disabled veterans	Negligible		0.1	0.1
American Legion's "40-8 box car"		No reliable estimate		
Vehicles owned by the Red Cross		No reliable estimate		
Fire buff canteen wagons		No reliable estimate		
Reciprocal exemptions for out-of-state law enforcement vehicles		No reliable estimate		
School vehicles owned by religious organizations		No reliable estimate		
Civil Air Patrol vehicles		No reliable estimate		
Vehicles owned by veterans' organizations		No reliable estimate		
Miscellaneous motor vehicle registration fee exemptions, including fire and rescue vehicles	2.4	2.4	0.1	0.1
<b>Total:</b>	<b>2.5</b>	<b>2.5</b>	<b>0.8</b>	<b>0.8</b>
Distribution:				
State General Funds	0.0	0.0	0.0	0.0
Net State Special Funds - Transportation Trust Fund	2.3	2.3	0.7	0.7
Local Governments (Highway User Revenues)	0.2	0.2	0.1	0.1
<b>Total on page iv, Statistical Summary of Categorical Tax Expenditures by Tax, excludes the following:</b>				
<b>Vehicles owned by U.S., State, or local governments</b>	<b>-0.1</b>	<b>-0.1</b>	<b>-0.6</b>	<b>-0.6</b>
<b>Total on page iv:</b>	<b>2.4</b>	<b>2.4</b>	<b>0.2</b>	<b>0.2</b>

**PROPERTY TRANSFER TAX**

**Legal reference: Art. TP Sec. 13-203**

**Exemptions from state transfer tax for:**

Tax rate halved for first time Maryland home buyers  
Miscellaneous property tax exemptions

	<u>FY 15</u>	<u>FY 16</u>	<u>FY 17</u>	<u>FY 18</u>
Tax rate halved for first time Maryland home buyers	12.4	13.4	14.1	14.4
Miscellaneous property tax exemptions		No reliable estimate		

**Legal reference: Art. TP Sec. 12-108 and 13-107**

**Exemptions from state transfer tax for:**

Transfers made from estates with no consideration and to and from trusts

Transfers made from estates with no consideration and to and from trusts		No reliable estimate		
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**Legal reference: Art. TP Sec. 13-303**

**Exemptions from state transfer tax for:**

Agricultural land in calculating the tax rate when transferred with land for another purpose

Agricultural land in calculating the tax rate when transferred with land for another purpose	Not in existence	No reliable estimate		
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**Legal reference: Art. TP Sec. 13-207**

Conversions of foreign entities to LLCs  
Corporate or partnership conveyances  
Mergers, consolidations or transfers from partnerships to LLCs  
Transfers of corporate property between related corporations  
Transfers upon conversion of joint ventures or sole proprietorships to an LLC  
Transfers of supplemental, previously recorded instruments/deeds for prior contract of sale  
Transfers between spouses, former spouses or relatives  
Transfers to governments or public agencies  
Transfers for cooperative housing corporations  
Judgments, orders of satisfaction or participation agreements  
Land installment contracts, options to purchase real prop or short-term leases  
Transfers between domestic partners, former domestic partners or relatives

Conversions of foreign entities to LLCs		No reliable estimate		
Corporate or partnership conveyances		No reliable estimate		
Mergers, consolidations or transfers from partnerships to LLCs		No reliable estimate		
Transfers of corporate property between related corporations		No reliable estimate		
Transfers upon conversion of joint ventures or sole proprietorships to an LLC		No reliable estimate		
Transfers of supplemental, previously recorded instruments/deeds for prior contract of sale		No reliable estimate		
Transfers between spouses, former spouses or relatives		No reliable estimate		
Transfers to governments or public agencies		No reliable estimate		
Transfers for cooperative housing corporations		No reliable estimate		
Judgments, orders of satisfaction or participation agreements		No reliable estimate		
Land installment contracts, options to purchase real prop or short-term leases		No reliable estimate		
Transfers between domestic partners, former domestic partners or relatives		No reliable estimate		

**Total: State Special Funds**

<b>Total: State Special Funds</b>	<b>12.4</b>	<b>13.4</b>	<b>14.1</b>	<b>14.4</b>
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