



COMPTROLLER *of* MARYLAND

Brooke E. Lierman
Comptroller

Robert J. Rehrmann
Director
Bureau of Revenue Estimates

April 7, 2023

Ms. Liz Fitzsimmons
Department of Commerce
Maryland Office of Tourism Development
401 East Pratt Street
Baltimore, Maryland 21202

Dear Ms. Fitzsimmons:

As requested by your office and required by Section §4-216 of the Economic Development Article, the Comptroller's Office reports that the qualifying tourism tax increment is \$76.2 million for fiscal year 2024. Given a lack of direct data as to how much revenue is generated from tourism, this analysis relies on assumptions as to tourism's share of total revenue by self-reported sales tax industry codes, as estimated by the Comptroller's Office and the Department of Commerce. Given the reliance on assumptions, the amounts estimated may differ significantly from the actual revenue generated by tourism.

The attached table shows the industry codes and the percentage of revenues from those categories that we have assumed to be tourism-related revenues, and the growth of these revenues in fiscal year 2022. Tourism-related revenues are estimated to be \$593.3 million in fiscal year 2022; as these revenues increased 38.6% from fiscal year 2020, above the 3% growth threshold. One-half of the amount that is greater than 3% growth results in a tourism tax increment of \$76.2 million.

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

Sincerely,

Robert J. Rehrmann

cc: Honorable Brooke Lierman
Rianna Matthews-Brown
Andrew Schaufele
Marc Nicole



Tourism Tax Increment
(\$ in millions)

<u>Code</u>	<u>Description</u>	<u>FY 2018 Actual</u>	<u>FY 2019 Actual</u>	<u>FY 2020 Actual</u>	<u>FY 2021 Actual</u>	<u>FY 2022 Actual</u>	<u>Tourism Factor</u>	<u>FY 2018 Base</u>	<u>FY 2019 Base</u>	<u>FY 2020 Base</u>	<u>FY 2021 Base</u>	<u>FY 2022 Base</u>	<u>Growth</u>
108	Restaurants, Lunchrooms, Delicatessens - w/o Beer, Wine and Liquor License	\$ 410.9	\$ 432.1	\$ 399.6	\$ 307.7	\$ 545.9	33%	\$ 137.0	\$ 144.0	\$ 133.2	\$ 102.6	\$ 182.0	36.6%
111	Hotels, Motels Selling Food w/Beer, Wine and Liquor License	37.8	35.5	24.1	10.7	26.5	100%	37.8	35.5	24.1	10.7	26.5	10.3%
112	Restaurants and Night Clubs w/Beer, Wine and Liquor License	280.1	286.2	237.7	171.6	349.7	33%	93.4	95.4	79.2	57.2	116.6	47.1%
306	General Merchandise	317.3	366.6	394.1	375.4	503.6	5%	15.9	18.3	19.7	18.8	25.2	27.8%
407	Automobile, Bus and Truck Rentals	73.4	80.4	71.0	51.3	93.3	90%	66.0	72.4	63.9	46.1	84.0	31.5%
706	Airlines - Commercial	0.4	0.3	0.3	0.1	0.3	50%	0.2	0.2	0.1	0.1	0.2	12.0%
901	Hotels, Motels, Apartments, Cottages	125.0	128.6	104.0	56.1	153.2	100%	125.0	128.6	104.0	56.1	153.2	47.3%
925	Recreation and Amusement Places	9.1	9.2	7.7	5.1	11.4	50%	4.5	4.6	3.8	2.5	5.7	48.8%
TOTAL		\$ 1,253.9	\$ 1,338.9	\$ 1,238.4	\$ 978.0	\$ 1,684.1		\$ 479.8	\$ 499.0	\$ 428.1	\$ 294.1	\$ 593.3	38.6%

Growth @ 3% \$ 440.9

Bureau of Revenue Estimates
Comptroller of Maryland
4/5/2023

Difference from Actual \$ 152.4

Tourism Tax Increment \$ 76.2