



Peter Franchot
Comptroller

David Farkas
Acting Director
Bureau of Revenue Estimates

January 27, 2022

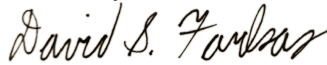
Ms. Liz Fitzsimmons
Department of Commerce
Maryland Office of Tourism Development
401 East Pratt Street
Baltimore, Maryland 21202

Dear Ms. Fitzsimmons:

As requested by your office and therefore required by Section §4-216 of the Economic Development Article, the Comptroller's Office reports that the qualifying tourism tax increment is \$0.0 for fiscal year 2023. Given a lack of direct data as to how much revenue is generated from tourism, this analysis relies on self-reported sales tax industry codes and assumptions as to the share of revenue from those industries that is attributable to tourism activity, as estimated by the Comptroller's Office and the Department of Business and Economic Development. Given the reliance on assumptions, the amounts estimated may not be reflective of actual amounts of 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 2021. Tourism-related revenues are estimated to be \$294.1 million in fiscal year 2021; as these revenues decreased 31.3%, below the 3% growth threshold, one half of the amount that is greater than 3% growth results in a tourism tax increment of \$0.

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

Sincerely,

David Farkas

cc: Honorable Peter Franchot
Senator Sarah Elfreth
Emmanuel Welsh
Andrew Schaufele
Marc Nicole

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

<u>Code</u>	<u>Description</u>	<u>FY 2017 Actual</u>	<u>FY 2018 Actual</u>	<u>FY 2019 Actual</u>	<u>FY 2020 Actual</u>	<u>FY 2021 Actual</u>	<u>Tourism Factor</u>	<u>FY 2017 Base</u>	<u>FY 2018 Base</u>	<u>FY 2019 Base</u>	<u>FY 2020 Base</u>	<u>FY 2021 Base</u>	<u>Growth</u>
108	Restaurants, Lunchrooms, Delicatessens - w/o Beer, Wine and	\$ 400.3	\$ 410.9	\$ 432.1	\$ 399.6	\$ 307.7	33%	\$ 133.4	\$ 137.0	\$ 144.0	\$ 133.2	\$ 102.6	-23.0%
111	Hotels, Motels Selling Food w/Beer, Wine and Liquor License	38.3	37.8	35.5	24.1	10.7	100%	38.3	37.8	35.5	24.1	10.7	-55.4%
112	Restaurants and Night Clubs w/Beer, Wine and Liquor License	273.5	280.1	286.2	237.7	171.6	33%	91.2	93.4	95.4	79.2	57.2	-27.8%
306	General Merchandise	280.4	317.3	366.6	394.1	375.4	5%	14.0	15.9	18.3	19.7	18.8	-4.7%
407	Automobile, Bus and Truck Rentals	73.4	73.4	80.4	71.0	51.3	90%	66.1	66.0	72.4	63.9	46.1	-27.8%
706	Airlines - Commercial	0.4	0.4	0.3	0.3	0.1	50%	0.2	0.2	0.2	0.1	0.1	-51.1%
901	Hotels, Motels, Apartments, Cottages	121.1	125.0	128.6	104.0	56.1	100%	121.1	125.0	128.6	104.0	56.1	-46.1%
925	Recreation and Amusement Places	9.3	9.1	9.2	7.7	5.1	50%	4.6	4.5	4.6	3.8	2.5	-34.0%
TOTAL		\$ 1,196.7	\$ 1,253.9	\$ 1,338.9	\$ 1,238.4	\$ 978.0		\$ 468.9	\$ 479.8	\$ 499.0	\$ 428.1	\$ 294.1	-31.3%

Growth @ 3% \$ 302.9

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1/27/2022

Difference from Actual \$ (8.8)

Tourism Tax Increment \$ -