

August 9, 2024

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 submits the fiscal 2025 determination of the tourism tax increment used to inform the fiscal 2026 budget appropriation. We calculate that the qualifying tourism increment is \$0. 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 2023. Tourism-related revenues are estimated to be \$600.7 million in fiscal year 2023. These revenues increased 1.2% below the 3% growth threshold and resulting in a tourism tax increment of \$0.

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 2019 Actual</u>	<u>FY 2020 Actual</u>	<u>FY 2021 Actual</u>	<u>FY 2022 Actual</u>	<u>FY 2023 Actual</u>	<u>Tourism Factor</u>	<u>FY 2019 Base</u>	<u>FY 2020 Base</u>	<u>FY 2021 Base</u>	<u>FY 2022 Base</u>	<u>FY 2023 Base</u>	<u>Growth</u>
108	Restaurants, Lunchrooms, Delicatessens - w/o Beer, Wine and Liquor License	\$ 432.1	\$ 399.6	\$ 307.7	\$ 545.9	\$ 545.7	33%	\$ 144.0	\$ 133.2	\$ 102.6	\$ 182.0	\$ 181.9	0.0%
111	Hotels, Motels Selling Food w/Beer, Wine and Liquor License	35.5	24.1	10.7	26.5	28.0	100%	35.5	24.1	10.7	26.5	28.0	5.4%
112	Restaurants and Night Clubs w/Beer, Wine and Liquor License	286.2	237.7	171.6	349.7	338.4	33%	95.4	79.2	57.2	116.6	112.8	-3.2%
306	General Merchandise	366.6	394.1	375.4	503.6	506.1	5%	18.3	19.7	18.8	25.2	25.3	0.5%
407	Automobile, Bus and Truck Rentals	80.4	71.0	51.3	93.3	97.0	90%	72.4	63.9	46.1	84.0	87.3	3.9%
706	Airlines - Commercial	0.3	0.3	0.1	0.3	0.3	50%	0.2	0.1	0.1	0.2	0.2	0.1%
901	Hotels, Motels, Apartments, Cottages	128.6	104.0	56.1	153.2	159.2	100%	128.6	104.0	56.1	153.2	159.2	4.0%
925	Recreation and Amusement Places	9.2	7.7	5.1	11.4	12.1	50%	4.6	3.8	2.5	5.7	6.1	6.0%
TOTAL		\$ 1,338.9	\$ 1,238.4	\$ 978.0	\$ 1,684.1	\$ 1,686.8		\$ 499.0	\$ 428.1	\$ 294.1	\$ 593.3	\$ 600.7	1.2%

Growth @ 3% \$ 611.1

Bureau of Revenue Estimates
Comptroller of Maryland
8/9/2024

Difference from Actual \$ (10.4)

Tourism Tax Increment \$0.0