

EXECUTIVE DEPARTMENT

For Immediate Release:

Governor Lane's program for reduction of the sales tax will take effect at midnight Thursday, November 30.

After that all meals, no matter where sold or eaten, will be tax free.

Also free of the tax will be all purchases up to fifty cents.

The reduction of the tax was voted by the General Assembly at a Special Session called by Governor Lane on November 10 which enacted the Governor's program of recommendation.

In addition to removing the tax from meals and all other purchases up to fifty cents, the revised schedule of the levy exempts cleansers and detergents for household use and articles used in the care of infants.

The program for reduction of the sales tax first was proposed by Governor Lane last July when it became evident that revenues from the sales tax, because of the defense program, would exceed earlier estimates and that the reduction could be made without impairing the State's sound fiscal position.

It is estimated that the broadening of the base of the sales tax will save Marylanders approximately \$7,000,000 annually.

Based on present estimates, the reduction in the yield of the sales tax will leave a surplus at the end of the current fiscal year of nearly \$5,000,000 as a backlog against the 1952 budget to be presented at the forthcoming session of the General Assembly.