
By: **Delegates Hixson, C. Davis, Healey, Bozman, Howard, Franchot, and Hurson**

Introduced and read first time: January 28, 2002

Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Sales and Use Tax - Taxable Price - Communications Services**

3 FOR the purpose of excluding from the taxable price subject to the sales and use tax
4 certain charges for nontaxable services made in connection with a sale of a
5 taxable communication service under certain circumstances; and generally
6 relating to the sales and use taxation of certain communications services.

7 BY repealing and reenacting, with amendments,
8 Article - Tax - General
9 Section 11-101(j)(3)
10 Annotated Code of Maryland
11 (1997 Replacement Volume and 2001 Supplement)

12 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
13 MARYLAND, That the Laws of Maryland read as follows:

14 **Article - Tax - General**

15 11-101.

16 (j) (3) "Taxable price" does not include:

17 (i) a charge that is made in connection with a sale and is stated as
18 a separate item of the consideration for:

19 1. a delivery, freight, or other transportation service for
20 delivery directly to the buyer by the vendor or by another person acting for the
21 vendor, unless the transportation service is a taxable service;

22 2. a finance charge, interest, or similar charge for credit
23 extended to the buyer;

24 3. a labor or service for application or installation;

