
By: **Prince George's County Delegation**
Introduced and read first time: February 5, 2003
Assigned to: Ways and Means

Committee Report: Favorable with amendments
House action: Adopted
Read second time: March 20, 2003

CHAPTER 299

1 AN ACT concerning

2 **Prince George's County - Telecommunications Tax - Exemption**
3 **PG 409-03**

4 FOR the purpose of ~~authorizing rather than requiring the County Council of Prince~~
5 ~~George's County to impose a certain sales and use tax on certain~~
6 ~~telecommunications services; establishing an exemption to the tax for~~
7 exempting certain telephone lifeline service from the sales and use tax on
8 telecommunications service in Prince George's County; and generally relating to
9 the sales and use tax on telecommunications services in Prince George's County.

10 BY repealing and reenacting, with amendments,
11 Article 24 - Political Subdivisions - Miscellaneous Provisions
12 Section 9-606
13 Annotated Code of Maryland
14 (2001 Replacement Volume and 2002 Supplement)

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

17 **Article 24 - Political Subdivisions - Miscellaneous Provisions**

18 9-606.

19 (a) The County Council for Prince George's County ~~shall~~ **MAY** impose, by
20 ordinance, and collect a sales and use tax on telecommunications service in Prince
21 George's County at a rate not less than 5%.

1 (b) (1) (i) In this subsection the following words have the meanings
2 indicated.

3 (ii) "Mobile Telecommunications Sourcing Act" means the federal
4 Mobile Telecommunications Sourcing Act, P.L. 106-252.

5 (iii) "Service address" means:

6 1. Except as provided in item 2 of this subparagraph, the
7 location of the telecommunications equipment to which a call is charged, regardless of
8 where the call is billed or paid; and

9 2. In the case of mobile telecommunications service, the
10 location of the customer's place of primary use as defined in the Mobile
11 Telecommunications Sourcing Act.

12 (2) Except as otherwise provided in this section, the sales and use tax
13 authorized under this section shall apply to telecommunications service that:

14 (i) Originates and terminates in Prince George's County; or

15 (ii) Originates or terminates in Prince George's County and has a
16 service address in Prince George's County.

17 (3) Notwithstanding paragraph (2) of this subsection, AND EXCEPT AS
18 PROVIDED IN SUBSECTION (C) OF THIS SECTION, for customer bills to which the
19 amendment made by the Mobile Telecommunications Sourcing Act applies, the sales
20 and use tax authorized under this section shall apply to mobile telecommunications
21 services to the fullest extent authorized under § 117(b) of the Mobile
22 Telecommunications Sourcing Act.

23 (c) A tax imposed under this section does not apply to:

24 (1) Telecommunications services provided to a person to whom a sale of
25 tangible personal property or a taxable service is exempt under § 11-204 or § 11-220
26 of the Tax - General Article; [or]

27 (2) A prepaid telephone calling arrangement that is a taxable service
28 under Title 11 of the Tax - General Article; OR

29 (3) TELEPHONE LIFELINE SERVICE PROVIDED UNDER § 8-201 OF THE
30 PUBLIC UTILITY COMPANIES ARTICLE.

31 (d) (1) The tax shall be itemized on each bill for telecommunications service
32 in Prince George's County.

33 (2) Each vendor providing telecommunications service in Prince George's
34 County shall collect the tax on behalf of the county and remit the tax to the county.

1 (e) (1) The net proceeds of the revenue from the tax imposed under this
2 section shall be used only for operating expenditures of the Prince George's County
3 school system.

4 (2) The proceeds provided under this section for operating expenditures
5 of the Prince George's County public school system may not be used to supplant any
6 State aid for education provided to the county, or any county funds provided to the
7 Prince George's County school system.

8 (3) Among the expenditures to be funded from the proceeds, the Board
9 shall consider:

10 (i) A program to serve disruptive, delinquent, or low-performing
11 students in grades 6 through 12 that:

12 1. Provides proof of progress in reading and mathematics;

13 2. Is designed to include small learning communities and
14 areas of support services provided by community-based providers; and

15 3. Is operated:

16 A. By an educational provider with substantial experience
17 serving the type of student population served by the program; and

18 B. In separate school facilities provided by the education
19 provider, unless the public school system decides otherwise; and

20 (ii) A Spanish language immersion program to serve at least 450
21 students in kindergarten through grade 5 in order to address long-term labor needs
22 for bilingual employees.

23 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
24 July 1, 2003.