

HOUSE BILL 594

Q4

5lr0446

By: **Prince George's County Delegation**

Introduced and read first time: February 12, 2015

Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Prince George's County – New School Construction Investment Act of 2015**

3 **PG 413–15**

4 FOR the purpose of authorizing the County Council for Prince George's County to impose
5 a tax on retail sales in the county; exempting from the tax sales that are exempt from
6 the State sales and use tax; limiting the rate of the tax; imposing certain collection
7 and administrative requirements on vendors who make sales subject to the tax;
8 authorizing certain vendors to deduct a certain percentage of the gross tax collected
9 for the cost of collection and remittance of the tax; authorizing the County Council
10 for Prince George's County to provide by law for imposition of interest and penalties
11 for failure to pay the tax as required and to provide for collection of unpaid tax,
12 interest, or penalties; requiring that the net proceeds of the tax be used only for
13 certain purposes; submitting this Act to a referendum of the qualified voters of Prince
14 George's County; defining certain terms; providing for the termination of this Act;
15 and generally relating to authorizing the County Council for Prince George's County
16 to impose a tax on retail sales in the county for certain purposes.

17 BY adding to

18 Article – Local Government
19 Section 20–605.1
20 Annotated Code of Maryland
21 (2013 Volume and 2014 Supplement)

22 BY repealing and reenacting, with amendments,

23 Article – Tax – General
24 Section 11–102(c)
25 Annotated Code of Maryland
26 (2010 Replacement Volume and 2014 Supplement)

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



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

3 **Article – Local Government**

4 **20–605.1.**

5 (A) IN THIS SECTION, “RETAIL SALE”, “SALE”, AND “TAXABLE PRICE” HAVE
6 THE MEANINGS STATED IN § 11–101 OF THE TAX – GENERAL ARTICLE.

7 (B) EXCEPT AS OTHERWISE PROVIDED IN THIS SECTION, THE COUNTY
8 COUNCIL FOR PRINCE GEORGE’S COUNTY MAY IMPOSE BY ORDINANCE AND
9 COLLECT A SALES TAX ON A RETAIL SALE IN PRINCE GEORGE’S COUNTY.

10 (C) A TAX IMPOSED UNDER THIS SECTION DOES NOT APPLY TO A SALE THAT
11 IS EXEMPT FROM THE STATE SALES AND USE TAX UNDER TITLE 11 OF THE TAX –
12 GENERAL ARTICLE.

13 (D) A TAX IMPOSED UNDER THIS SECTION MAY NOT EXCEED 1% OF THE
14 TAXABLE PRICE OF A SALE THAT IS SUBJECT TO THE TAX.

15 (E) A TAX IMPOSED UNDER THIS SECTION SHALL BE:

16 (1) COLLECTED FROM THE BUYER ON BEHALF OF THE COUNTY BY
17 THE VENDOR THAT MAKES A SALE THAT IS SUBJECT TO THE TAX; AND

18 (2) HELD IN TRUST BY THE VENDOR FOR THE COUNTY.

19 (F) (1) A VENDOR REQUIRED TO COLLECT A TAX IMPOSED UNDER THIS
20 SECTION SHALL FILE A RETURN WITH THE COUNTY ON OR BEFORE THE 21ST DAY OF
21 EACH MONTH.

22 (2) A RETURN REQUIRED UNDER THIS SECTION:

23 (I) SHALL BE MADE ON THE FORM THAT THE COUNTY
24 REQUIRES; AND

25 (II) SHALL CONTAIN THE INFORMATION THAT THE COUNTY
26 REQUIRES, INCLUDING:

27 1. THE GROSS PROCEEDS OF THE VENDOR DURING THE
28 PRECEDING MONTH FROM SALES THAT ARE SUBJECT TO THE TAX;

1 **2. THE TAXABLE PRICE OF SALES FOR THAT MONTH ON**
2 **WHICH THE TAX IS COMPUTED; AND**

3 **3. THE TAX DUE.**

4 **(G) (1) A VENDOR THAT MAKES A SALE THAT IS SUBJECT TO A TAX**
5 **IMPOSED UNDER THIS SECTION SHALL PAY THE TAX THAT THE VENDOR COLLECTS**
6 **FOR THAT SALE WITH THE RETURN THAT COVERS THE PERIOD IN WHICH THE**
7 **VENDOR MAKES THAT SALE.**

8 **(2) FOR THE EXPENSE OF COLLECTION AND REMITTANCE OF A TAX**
9 **IMPOSED UNDER THIS SECTION, A VENDOR THAT TIMELY FILES A RETURN AND**
10 **REMITTS THE TAX MAY DEDUCT AN AMOUNT EQUAL TO 1.5% OF THE GROSS TAX**
11 **COLLECTED BY THE VENDOR.**

12 **(H) THE COUNTY COUNCIL MAY PROVIDE BY LAW FOR:**

13 **(1) THE IMPOSITION OF INTEREST AND PENALTIES FOR FAILURE TO**
14 **PAY THE TAX AS REQUIRED; AND**

15 **(2) COLLECTION OF UNPAID TAX, INTEREST, OR PENALTIES.**

16 **(I) (1) THE NET PROCEEDS OF THE REVENUE FROM THE TAX IMPOSED**
17 **UNDER THIS SECTION SHALL BE USED FOR:**

18 **(I) NEW SCHOOL CONSTRUCTION PROJECTS APPROVED BY THE**
19 **PRINCE GEORGE'S COUNTY BOARD OF EDUCATION AND PRINCE GEORGE'S**
20 **COUNTY; OR**

21 **(II) SCHOOL RENOVATION PROJECTS APPROVED BY THE**
22 **PRINCE GEORGE'S COUNTY BOARD OF EDUCATION AND PRINCE GEORGE'S**
23 **COUNTY IN WHICH AT LEAST 50% OF THE SCHOOL IS RENOVATED.**

24 **(2) THE NET PROCEEDS SHALL BE USED FOR CASH PAYMENTS FOR**
25 **CAPITAL EXPENDITURES OR PAYMENT OF DEBT SERVICE ON BONDS ISSUED BY THE**
26 **GOVERNING BODY OF PRINCE GEORGE'S COUNTY IN ACCORDANCE WITH**
27 **PARAGRAPH (1) OF THIS SUBSECTION.**

28 **(3) THE PROCEEDS PROVIDED UNDER THIS SUBSECTION FOR THE**
29 **PRINCE GEORGE'S COUNTY SCHOOL SYSTEM MAY NOT BE USED TO SUPPLANT:**

30 **(I) ANY STATE AID FOR EDUCATION PROVIDED TO PRINCE**
31 **GEORGE'S COUNTY; OR**

1 votes cast on the question are “For the referred law” the provisions of this Act shall become
2 effective on January 1, 2017, but if a majority of the votes cast on the question are “Against
3 the referred law” the provisions of this Act are of no effect and null and void. If the
4 provisions of this Act take effect, this Act shall remain effective for a period of 5 years and,
5 at the end of December 31, 2021, with no further action required by the General Assembly,
6 Section 1 of this Act shall be abrogated and of no further force and effect.

7 SECTION 3. AND BE IT FURTHER ENACTED, That, subject to the provisions of
8 Section 2 of this Act and for the sole purpose of providing for the referendum required by
9 Section 2 of this Act, this Act shall take effect July 1, 2015.