

HOUSE BILL 1366

Q8, L2

0lr3336

By: **Delegates Lisanti and Johnson**

Introduced and read first time: February 7, 2020

Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Harford County – Telecommunications Service Tax – Authorization**

3 FOR the purpose of authorizing the governing body of Harford County to impose, by law,
4 and collect a sales and use tax on telecommunications service in Harford County
5 under certain circumstances; providing that the tax rate imposed may not exceed a
6 certain amount; requiring that the tax be itemized on the telecommunications
7 service bill and collected by the telecommunications service vendor on behalf of
8 Harford County; providing that the net proceeds of the tax may be used only for
9 expenditures of the Harford County public school system and may not be used to
10 supplant certain other funding; defining certain terms; and generally relating to
11 authorization of a telecommunications service tax in Harford County.

12 BY adding to
13 Article – Local Government
14 Section 20–610
15 Annotated Code of Maryland
16 (2013 Volume and 2019 Supplement)

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

19 **Article – Local Government**

20 **20–610.**

21 **(A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS**
22 **INDICATED.**

23 **(2) “MOBILE TELECOMMUNICATIONS SOURCING ACT” MEANS THE**
24 **FEDERAL MOBILE TELECOMMUNICATIONS SOURCING ACT, 4 U.S.C. §§ 116**

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 THROUGH 126.

2 (3) "SERVICE ADDRESS" MEANS:

3 (I) EXCEPT AS PROVIDED IN ITEM (II) OF THIS PARAGRAPH,
4 THE LOCATION OF THE TELECOMMUNICATIONS EQUIPMENT TO WHICH A CALL IS
5 CHARGED, REGARDLESS OF WHERE THE CALL IS BILLED OR PAID; AND

6 (II) IN THE CASE OF MOBILE TELECOMMUNICATIONS SERVICE,
7 THE LOCATION OF THE CUSTOMER'S PLACE OF PRIMARY USE AS DEFINED IN THE
8 MOBILE TELECOMMUNICATIONS SOURCING ACT.

9 (B) (1) EXCEPT AS OTHERWISE PROVIDED IN THIS SECTION, THE SALES
10 AND USE TAX IMPOSED UNDER THIS SECTION APPLIES TO RESIDENTIAL,
11 NONRESIDENTIAL, OR MOBILE TELECOMMUNICATIONS SERVICE THAT:

12 (I) ORIGINATES AND TERMINATES IN HARFORD COUNTY; OR

13 (II) ORIGINATES OR TERMINATES IN HARFORD COUNTY AND
14 HAS A SERVICE ADDRESS IN HARFORD COUNTY.

15 (2) NOTWITHSTANDING PARAGRAPH (1) OF THIS SUBSECTION AND
16 EXCEPT AS PROVIDED IN PARAGRAPH (3) OF THIS SUBSECTION, FOR A CUSTOMER
17 BILL TO WHICH THE AMENDMENT MADE BY THE MOBILE TELECOMMUNICATIONS
18 SOURCING ACT APPLIES, THE SALES AND USE TAX IMPOSED UNDER THIS SECTION
19 APPLIES TO MOBILE TELECOMMUNICATIONS SERVICE TO THE FULLEST EXTENT
20 AUTHORIZED UNDER § 117(B) OF THE MOBILE TELECOMMUNICATIONS SOURCING
21 ACT.

22 (3) A TAX IMPOSED UNDER THIS SECTION DOES NOT APPLY TO:

23 (I) TELECOMMUNICATIONS SERVICE PROVIDED TO A PERSON
24 TO WHOM A SALE OF TANGIBLE PERSONAL PROPERTY OR A TAXABLE SERVICE IS
25 EXEMPT UNDER § 11-204 OR § 11-220 OF THE TAX – GENERAL ARTICLE;

26 (II) A PREPAID TELEPHONE CALLING ARRANGEMENT THAT IS
27 TAXABLE UNDER TITLE 11 OF THE TAX – GENERAL ARTICLE; OR

28 (III) TELEPHONE LIFELINE SERVICE PROVIDED UNDER § 8-201
29 OF THE PUBLIC UTILITIES ARTICLE.

30 (C) (1) BY LAW, THE GOVERNING BODY OF HARFORD COUNTY MAY
31 IMPOSE A SALES AND USE TAX ON RESIDENTIAL, NONRESIDENTIAL, OR MOBILE

1 TELECOMMUNICATIONS SERVICE IN HARFORD COUNTY.

2 (2) THE TAX IMPOSED UNDER PARAGRAPH (1) OF THIS SUBSECTION
3 MAY NOT EXCEED \$2.00 FOR EACH LINE OF TELECOMMUNICATIONS SERVICE.

4 (D) (1) THE TAX IMPOSED UNDER THIS SECTION SHALL BE ITEMIZED ON
5 EACH BILL FOR TELECOMMUNICATIONS SERVICE IN HARFORD COUNTY.

6 (2) EACH VENDOR PROVIDING TELECOMMUNICATIONS SERVICE IN
7 HARFORD COUNTY SHALL COLLECT THE TAX ON BEHALF OF AND REMIT THE TAX TO
8 THE COUNTY.

9 (E) (1) THE NET PROCEEDS OF THE REVENUE FROM THE TAX IMPOSED
10 UNDER THIS SECTION SHALL BE USED FOR EXPENDITURES FOR THE HARFORD
11 COUNTY PUBLIC SCHOOL SYSTEM.

12 (2) THE PROCEEDS PROVIDED UNDER THIS SECTION FOR THE
13 HARFORD COUNTY PUBLIC SCHOOL SYSTEM MAY NOT BE USED TO SUPPLANT:

14 (I) ANY STATE AID FOR EDUCATION PROVIDED TO HARFORD
15 COUNTY; OR

16 (II) ANY COUNTY FUNDS PROVIDED TO THE HARFORD COUNTY
17 PUBLIC SCHOOL SYSTEM.

18 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
19 1, 2020.