

COUNTY COUNCIL OF BALTIMORE COUNTY, MARYLAND
Legislative Session 2019, Legislative Day No. 8

Bill No. 21-19

Mr. Tom Quirk, Chairman
By Request of County Executive

By the County Council, April 15, 2019

A BILL
ENTITLED

AN ACT concerning

Tax on Telephones and Wireless Service

FOR the purpose of expanding the scope of the county telephone tax to include such services as Voice-over-Internet Protocol; imposing and levying a tax on certain wireless services; setting the per month rate of the wireless telephone tax; requiring the payment of certain taxes and the submission of certain reports at certain times; providing penalties and interest for the refusal or failure to pay certain taxes and to make a certain report; providing a process for collecting certain taxes, penalties and interest; requiring certain action when a business closes; providing certain exemptions; defining certain terms; and generally relating to telephone and wireless telephone taxes.

By repealing and reenacting, with amendments
Sections 11-4-201, 11-4-202, and 11-4-203
Subtitle 2. Telephone Tax
Title 4. Various Taxes

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.
[Brackets] indicate matter stricken from existing law.
~~Strike out~~ indicates matter stricken from bill.
Underlining indicates amendments to bill.

1 benevolent institutions, civic improvement associations, service clubs, volunteer fire companies,
2 or youth [organizations] ORGANIZATIONS;~~AND~~

3 (5) TELEPHONE LIFELINE SERVICE CUSTOMERS~~;~~ AND

4 (6) PREPAID WIRELESS TELEPHONE SERVICE.

5 § 11-4-201.1

6 (A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE
7 MEANINGS INDICATED.

8 (B) "LINE" MEANS A CONNECTION TO A LOCAL TELEPHONE
9 EXCHANGE THROUGH A UNIQUE TELEPHONE NUMBER.

10 (C) "WIRELESS TELEPHONE" MEANS ANY EQUIPMENT OR
11 INSTRUMENT THAT TRANSMITS:

12 (1) CELLULAR TELEPHONE SERVICE;

13 (2) PERSONAL COMMUNICATION SERVICE; OR

14 (3) ANY OTHER COMMERCIAL MOBILE RADIO SERVICE AS
15 DEFINED BY THE FEDERAL COMMUNICATIONS COMMISSION.

16 § 11-4-202.

17 (a) In accordance with the authority granted in § 11-1-102 of this [article and subject to
18 subsection (b) of this section, there is a tax levied and imposed on:

1 (1) All sales of exchange service for the transmission of messages by telephone
2 originating from within the county;

3 (2) All sales of business and residence local exchange telephone lines and trunks;

4 (3) Centrex exchange access line; and

5 (4) The transmission of messages by telephone.] ARTICLE, A PERSON WHO
6 OWNS A TELEPHONE FOR THE RECEPTION, TRANSMISSION, OR COMMUNICATION
7 OF MESSAGES BY TELEPHONE, OR LEASES, LICENSES, OR SELLS TELEPHONIC
8 COMMUNICATION IN THE COUNTY MUST PAY A TAX ON THE FOLLOWING
9 SERVICES FURNISHED TO CUSTOMERS WITH A BILLING ADDRESS OR FIXED
10 SERVICE ADDRESS IN THE COUNTY:

11 (1) EACH RESIDENCE, BUSINESS, OR PBX LOCAL EXCHANGE ACCESS
12 LINE OR TRUNK LINE;

13 (2) EACH WIRELESS TELEPHONE LINE; AND

14 (3) EACH CENTREX LOCAL EXCHANGE ACCESS LINE OR TRUNK LINE.

15 (b)(1) THIS SUBSECTION DOES NOT APPLY TO A WIRELESS TELEPHONE
16 LINE.

17 (2) There is a tax rate of 8% on the:

18 [(1)] (I) Gross sales price of transmission of messages by telephone; and

19 [(2)] (II) Rental of equipment associated with the services provided as described
20 in subsection (a) of this section.

1 (C) THE TAX FOR A WIRELESS TELEPHONE LINE IS ~~\$3.50 PER LINE~~ EIGHT
2 PERCENT (8%) PER VOICE LINE CHARGE ON A CELLULAR ACCOUNT, AFTER ANY
3 DISCOUNTS, CREDITS, SPECIAL OFFERS, OR PROMOTIONS HAVE BEEN APPLIED.

4 § 11-4-203.

5 (a) Each person [making sales and rentals] CONDUCTING BUISNESS [within the
6 county] as described in § 11-4-202 of this subtitle shall collect the tax from the purchasers.

7 (b) On or before the 15th day of the calendar month following the collection of the
8 tax, the person collecting the tax shall:

9 (1) Report to the Director the taxes collected in a format required by the Director and
10 under oath; and

11 (2) Pay to the Director the amount collected during the preceding month.

12 (C)(1) A PERSON WHO FAILS OR REFUSES TO REMIT THE TAX REQUIRED
13 UNDER THIS SUBTITLE OR WHO FAILS TO MAKE A PROPER RETURN TO THE
14 DIRECTOR IS LIABLE FOR:

15 (I) INTEREST ON THE AMOUNT OF TAX DUE AT THE RATE OF
16 ONE PERCENT (1%) PER MONTH FOR EACH MONTH OR PART OF A MONTH AFTER
17 THE DATE ON WHICH THE TAX IS DUE; AND

18 (II) A PENALTY OF FIVE PERCENT (5%) OF THE AMOUNT OF
19 THE TAX PER MONTH, NOT TO EXCEED A TOTAL OF TWENTY-FIVE PERCENT
20 (25%) OF THE TAX.

1 (2) THE INTEREST AND PENALTY SHALL BE COLLECTED AS PART OF
2 THE TAX.

3 (D)(1) IF ANY PERSON FAILS OR REFUSES TO MAKE ANY REPORT AND
4 REMITTANCE REQUIRED WITHIN THE TIME PROVIDED, THE DIRECTOR SHALL
5 OBTAIN INFORMATION ON WHICH TO BASE THE ASSESSMENT OF ANY TAX DUE.

6 (2) AS SOON AS THE DIRECTOR OBTAINS SUFFICIENT INFORMATION
7 ON WHICH TO BASE THE ASSESSMENT OF ANY TAX DUE, THE DIRECTOR SHALL
8 ASSESS AGAINST THE PERSON THE TAX, INTEREST, AND PENALTIES.

9 (3) THE DIRECTOR SHALL NOTIFY THE PERSON BY MAIL SENT TO
10 THE PERSON'S LAST KNOWN PLACE OF ADDRESS OF THE TOTAL AMOUNT OF
11 TAX, INTEREST, AND PENALTIES.

12 (4) THE TOTAL AMOUNT SHALL BE PAYABLE WITHIN TEN (10) DAYS
13 AFTER THE DATE OF NOTICE.

14 (E) WHENEVER ANY PERSON SUBJECT TO THE TAX REQUIRED UNDER THIS
15 SUBTITLE STOPS DOING BUSINESS OR OTHERWISE DISPOSES OF THE BUSINESS,
16 ANY TAX PAYABLE TO THE COUNTY IS IMMEDIATELY DUE AND PAYABLE AND
17 THE PERSON MUST IMMEDIATELY MAKE A REPORT AND PAY ANY TAX DUE.

18

19 SECTION 2. AND BE IT FURTHER ENACTED, that this Act shall take effect 45 days
20 from the date of enactment.