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.
WHEREAS, Baltimore County is authorized by law to impose and levy new taxes; and

WHEREAS, the taxes newly proposed in this Act were advertised once each week in two newspapers of general circulation in the county for two weeks; and

WHEREAS, the County Council held a hearing on the taxes imposed and levied in this Act on April 30, 2019; now, therefore

SECTION 1. BE IT ENACTED BY THE COUNTY COUNCIL OF BALTIMORE COUNTY, MARYLAND, that the Laws of Baltimore County shall read as follows:

Article 11. Taxation

§ 11-4-201. The tax imposed under this subtitle does not apply:

(1) To the United States or its political subdivisions;

(2) To the state or its political subdivisions;

(3) To the county or its political subdivisions; [and]

(4) If no part of the net income of the following inures to private shareholders or individuals, to hospitals, religious, charitable, scientific, literary, educational, fraternal, or
benevolent institutions, civic improvement associations, service clubs, volunteer fire companies,
or youth [organizations] ORGANIZATIONS; AND

(5) TELEPHONE LIFELINE SERVICE CUSTOMERS; AND

(6) PREPAID WIRELESS TELEPHONE SERVICE.

§ 11-4-201.1

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

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

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

(1) CELLULAR TELEPHONE SERVICE;

(2) PERSONAL COMMUNICATION SERVICE; OR

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

§ 11-4-202.

(a) In accordance with the authority granted in § 11-1-102 of this [article and subject to subsection (b) of this section, there is a tax levied and imposed on:
(1) All sales of exchange service for the transmission of messages by telephone originating from within the county;

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

(3) Centrex exchange access line; and

(4) The transmission of messages by telephone.

[ARTICLE, A PERSON WHO

OWNS A TELEPHONE FOR THE RECEPTION, TRANSMISSION, OR COMMUNICATION

OF MESSAGES BY TELEPHONE, OR LEASES, LICENSES, OR SELLS TELEPHONIC

COMMUNICATION IN THE COUNTY MUST PAY A TAX ON THE FOLLOWING

SERVICES FURNISHED TO CUSTOMERS WITH A BILLING ADDRESS OR FIXED

SERVICE ADDRESS IN THE COUNTY:

(1) EACH RESIDENCE, BUSINESS, OR PBX LOCAL EXCHANGE ACCESS

LINE OR TRUNK LINE;

(2) EACH WIRELESS TELEPHONE LINE; AND

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

(b)(1) THIS SUBSECTION DOES NOT APPLY TO A WIRELESS TELEPHONE

LINE.

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

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

[(2)] (II) Rental of equipment associated with the services provided as described

in subsection (a) of this section.
(C) THE TAX FOR A WIRELESS TELEPHONE LINE IS $3.50 PER LINE EIGHT PERCENT (8%) PER VOICE LINE CHARGE ON A CELLULAR ACCOUNT, AFTER ANY DISCOUNTS, CREDITS, SPECIAL OFFERS, OR PROMOTIONS HAVE BEEN APPLIED.

§ 11-4-203.

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

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

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

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

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

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

(II) A PENALTY OF FIVE PERCENT (5%) OF THE AMOUNT OF THE TAX PER MONTH, NOT TO EXCEED A TOTAL OF TWENTY-FIVE PERCENT (25%) OF THE TAX.
(2) THE INTEREST AND PENALTY SHALL BE COLLECTED AS PART OF
THE TAX.

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

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

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

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

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

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