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

Introduced and read first time: February 1, 1996

Assigned to: Ways and Means

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A BILL ENTITLED

1 AN ACT concerning

2 **Prince George's County - Telephone Service Tax - Authority to Tax**

3 **PG 407-96**

4 FOR the purpose of authorizing the County Council for Prince George's County to levy a  
5 sales or use tax on residential, commercial, and industrial telephone service; limiting  
6 the rate of the tax that may be imposed; defining "telephone service" for purposes  
7 of the tax; providing for the taxation of long distance telephone service under the  
8 tax; making the provisions of this Act severable; and generally relating to  
9 authorization for the Prince George's County Council to impose a sales or use tax  
10 on certain telephone service.

11 BY adding to

12 Article 24 - Political Subdivisions - Miscellaneous Provisions

13 Section 9-606

14 Annotated Code of Maryland

15 (1994 Replacement Volume and 1995 Supplement)

16 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF

17 MARYLAND, That the Laws of Maryland read as follows:

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

19 9-606.

20 (A) IN THIS SECTION:

21 (1) "TELEPHONE SERVICE" INCLUDES:

22 (I) LOCAL TELEPHONE SERVICE;

23 (II) LONG DISTANCE TELEPHONE SERVICE; AND

24 (III) PERSONAL COMMUNICATIONS SERVICE; AND

25 (2) "TELEPHONE SERVICE" DOES NOT INCLUDE CELLULAR TELEPHONE

26 SERVICE.

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1 (B) THE COUNTY COUNCIL FOR PRINCE GEORGE'S COUNTY MAY IMPOSE, BY  
2 ORDINANCE, AND COLLECT A SALES OR USE TAX ON RESIDENTIAL, COMMERCIAL,  
3 AND INDUSTRIAL TELEPHONE SERVICE.

4 (C) THE RATE OF THE TAX IMPOSED UNDER THIS SECTION MAY NOT EXCEED  
5 12% OF THE SALES PRICE OF THE SERVICE THAT IS SUBJECT TO THE TAX.

6 (D) (1) LONG DISTANCE TELEPHONE SERVICE IS SUBJECT TO A TAX  
7 IMPOSED UNDER THIS SECTION IF:

8 (I) THE SERVICE ORIGINATES OR TERMINATES IN PRINCE  
9 GEORGE'S COUNTY; AND

10 (II) THE SERVICE IS BILLED TO A TELEPHONE NUMBER OR  
11 ACCOUNT IN PRINCE GEORGE'S COUNTY, REGARDLESS OF WHERE THE AMOUNT IS  
12 BILLED OR PAID.

13 (2) TO PREVENT ACTUAL MULTIPLE TAXATION OF THE SALE OF  
14 INTERSTATE LONG DISTANCE TELEPHONE SERVICE, A PERSON REQUIRED TO PAY  
15 THE TAX IMPOSED UNDER THIS SECTION SHALL BE ALLOWED A CREDIT AGAINST  
16 THE TAX FOR THE AMOUNT OF PROPERLY DUE TAX PAID TO ANOTHER STATE OR A  
17 POLITICAL SUBDIVISION OF ANOTHER STATE FOR LONG DISTANCE TELEPHONE  
18 SERVICE THAT IS SUBJECT TO THE TAX UNDER THIS SECTION.

19 SECTION 2. AND BE IT FURTHER ENACTED, That if any provision of this  
20 Act or the application thereof to any person or circumstance is held invalid for any reason  
21 in a court of competent jurisdiction, the invalidity does not affect other provisions or any  
22 other application of this Act which can be given effect without the invalid provision or  
23 application, and for this purpose the provisions of this Act are declared severable.

24 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect  
25 July 1, 1996.