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**By: Senators Lawlah and Trotter**

Introduced and read first time: January 17, 1996

Assigned to: Budget and Taxation

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A BILL ENTITLED

1 AN ACT concerning

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

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

10 BY adding to

11 Article 24 - Political Subdivisions - Miscellaneous Provisions  
12 Section 9-606  
13 Annotated Code of Maryland  
14 (1994 Replacement Volume and 1995 Supplement)

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

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

18 9-606.

19 (A) IN THIS SECTION:

20 (1) "TELEPHONE SERVICE" INCLUDES:

21 (I) LOCAL TELEPHONE SERVICE;

22 (II) LONG DISTANCE TELEPHONE SERVICE; AND

23 (III) PERSONAL COMMUNICATIONS SERVICE; AND

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

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

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1 (C) THE RATE OF THE TAX IMPOSED UNDER THIS SECTION MAY NOT EXCEED  
2 12% OF THE SALES PRICE OF THE SERVICE THAT IS SUBJECT TO THE TAX.

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

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

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

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

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

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