
By: Delegates Bozman and Healey

Introduced and read first time: January 31, 1997

Assigned to: Ways and Means

Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 26, 1997

CHAPTER _____

1 AN ACT concerning

2 ~~General Service~~ Joint Committee on Business Gross Receipts Tax Taxes

3 FOR the purpose of imposing a tax on the gross receipts of certain persons engaged in a
 4 service industry, business, calling, or profession in the State; providing certain
 5 exemptions from the tax; providing for calculation of the tax; setting the rate of the
 6 tax; providing for administration of the tax by the Comptroller; requiring persons
 7 subject to the tax to file returns and to keep and make available certain records and
 8 information; providing for distribution of the revenue from the tax; defining certain
 9 terms; providing for a delayed effective date; and generally relating to a tax on the
 10 gross receipts of certain persons engaged in a service industry, business, calling, or
 11 profession in the State establishing a Joint Committee on Business Gross Receipts
 12 Taxes; establishing the membership, duties, purposes, and staffing of the Joint
 13 Committee; requiring the Joint Committee to submit a certain report to certain
 14 persons by a certain date; and providing for the termination of the Joint Committee.

15 BY adding to

16 ~~Article Tax General~~17 ~~Section 1-101(h-1); 2-5A-01 through 2-5A-03 to be under the new subtitle~~18 ~~"Subtitle 5A. General Service Business Tax Revenue Distribution"; and 8-501~~19 ~~through 8-505 to be under the new subtitle "Subtitle 5. General Service~~20 ~~Business Tax"~~21 ~~Annotated Code of Maryland~~22 ~~(1988 Volume and 1996 Supplement)~~

23 BY repealing and reenacting, with amendments,

24 ~~Article Tax General~~25 ~~Section 2-102, 2-104(e)(2), 13-201(3), 13-508(a) and (c), 13-509(a), 13-825(g),~~26 ~~13-905(d), 13-1001(e), 13-1003(e), 13-1008(e), 13-1102, and 13-1104(g)~~

2

1 Annotated Code of Maryland
2 (1988 Volume and 1996 Supplement)
3 Article - State Government
4 Section 2-10A-05
5 Annotated Code of Maryland
6 (1995 Replacement Volume and 1996 Supplement)

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

9 ~~Article - Tax - General~~

10 ~~4-101.~~

11 ~~(H-1) "GENERAL SERVICE BUSINESS TAX" MEANS THE TAX IMPOSED UNDER~~
12 ~~TITLE 8, SUBTITLE 5 OF THIS ARTICLE.~~

13 ~~2-102.~~

14 ~~In addition to the duties set forth elsewhere in this article and in other articles of~~
15 ~~the Code, the Comptroller shall administer the laws that relate to:~~

- 16 ~~(1) the admissions and amusement tax;~~
- 17 ~~(2) the alcoholic beverage tax;~~
- 18 ~~(3) the boxing and wrestling tax;~~
- 19 ~~(4) THE GENERAL SERVICE BUSINESS TAX;~~
- 20 ~~[(4)] (5) the income tax;~~
- 21 ~~[(5)] (6) the Maryland estate tax;~~
- 22 ~~[(6)] (7) the Maryland generation skipping transfer tax;~~
- 23 ~~[(7)] (8) the motor carrier tax;~~
- 24 ~~[(8)] (9) the motor fuel tax;~~
- 25 ~~[(9)] (10) the sales and use tax;~~
- 26 ~~[(10)] (11) the savings and loan association franchise tax; and~~
- 27 ~~[(11)] (12) the tobacco tax.~~

28 ~~2-104.~~

29 ~~(e) (2) The Comptroller shall keep a GENERAL SERVICE BUSINESS TAX~~
30 ~~RETURN OR A sales and use tax return for 2 years from the date the return is filed. After~~
31 ~~2 years, the Comptroller may destroy the return.~~

1 ~~SUBTITLE 5A. GENERAL SERVICE BUSINESS TAX REVENUE DISTRIBUTION.~~

2 ~~2-5A-01.~~

3 ~~FROM THE GENERAL SERVICE BUSINESS TAX REVENUE, THE COMPTROLLER~~
4 ~~SHALL DISTRIBUTE THE AMOUNT NECESSARY TO PAY REFUNDS RELATING TO THE~~
5 ~~GENERAL SERVICE BUSINESS TAX TO A REFUND ACCOUNT.~~

6 ~~2-5A-02.~~

7 ~~AFTER MAKING THE DISTRIBUTION REQUIRED UNDER § 2-5A-01 OF THIS~~
8 ~~SUBTITLE, FROM THE REMAINING GENERAL SERVICE BUSINESS TAX REVENUE, THE~~
9 ~~COMPTROLLER SHALL DISTRIBUTE THE AMOUNT NECESSARY TO ADMINISTER THE~~
10 ~~GENERAL SERVICE BUSINESS TAX LAWS TO AN ADMINISTRATIVE COST ACCOUNT.~~

11 ~~2-5A-03.~~

12 ~~AFTER MAKING THE DISTRIBUTIONS REQUIRED UNDER §§ 2-5A-01 AND 2-5A-02~~
13 ~~OF THIS SUBTITLE, THE COMPTROLLER SHALL PAY THE REMAINING GENERAL~~
14 ~~SERVICE BUSINESS TAX REVENUE INTO THE GENERAL FUND OF THE STATE.~~

15 ~~SUBTITLE 5. GENERAL SERVICE BUSINESS TAX.~~

16 ~~8-501.~~

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

19 ~~(B) (1) EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION,~~
20 ~~"GENERAL SERVICE BUSINESS" MEANS ANY SERVICE INDUSTRY, BUSINESS,~~
21 ~~CALLING, OR PROFESSION IN THE STATE.~~

22 ~~(2) "GENERAL SERVICE BUSINESS" DOES NOT INCLUDE:~~

23 ~~(I) A FINANCIAL INSTITUTION BUSINESS SUBJECT TO THE~~
24 ~~FINANCIAL INSTITUTION FRANCHISE TAX;~~

25 ~~(II) A PUBLIC SERVICE COMPANY BUSINESS SUBJECT TO TAXATION~~
26 ~~UNDER SUBTITLE 4 OF THIS TITLE;~~

27 ~~(III) AN INSURANCE BUSINESS SUBJECT TO THE INSURANCE~~
28 ~~PREMIUMS TAX OR GENERAL AGENTS, AGENTS, AND BROKERS OF INSURANCE;~~

29 ~~(IV) EXCEPT WITH RESPECT TO COMMERCIAL LEASING ACTIVITIES,~~
30 ~~A PENSION PLAN OR PROFIT SHARING PLAN, WHETHER OR NOT REGULATED~~
31 ~~UNDER § 401 OF THE INTERNAL REVENUE CODE;~~

32 ~~(V) A REAL ESTATE MORTGAGE INVESTMENT CONDUIT, AS~~
33 ~~DEFINED IN § 860D OF THE INTERNAL REVENUE CODE;~~

34 ~~(VI) A BUSINESS TRUST OR CORPORATION REGISTERED AS AN~~
35 ~~INVESTMENT COMPANY, AN INVESTMENT ADVISOR, OR A TRANSFER AGENT UNDER~~
36 ~~APPLICABLE FEDERAL LAWS OR ACTING AS A PRINCIPAL UNDERWRITER AS~~

1 ~~DEFINED IN § 2(A)(29) OF THE INVESTMENT COMPANY ACT OF 1940, AS AMENDED (15~~
2 ~~U.S.C. § 80A-2(A)(29); OR~~

3 ~~(VII) A HORSE RACING LICENSEE UNDER TITLE 11 OF THE BUSINESS~~
4 ~~REGULATION ARTICLE.~~

5 ~~(C) (1) "GROSS RECEIPTS" MEANS TOTAL CONSIDERATION FOR SERVICES~~
6 ~~RENDERED OR OTHER INCOME PRODUCING TRANSACTIONS WITHIN THIS STATE,~~
7 ~~INCLUDING FEES AND COMMISSIONS, WITHOUT ANY DEDUCTION ON ACCOUNT OF~~
8 ~~THE COST OF PROPERTY SOLD, THE COST OF MATERIALS USED, LABOR COSTS,~~
9 ~~INTEREST, DISCOUNT PAID, DELIVERY COSTS, FEDERAL OR STATE TAXES, ANY~~
10 ~~OTHER EXPENSE WHATSOEVER PAID OR ACCRUED, OR LOSSES.~~

11 ~~(2) "GROSS RECEIPTS" INCLUDES:~~

12 ~~(I) FOR A PARTNERSHIP, LIMITED LIABILITY COMPANY, OR~~
13 ~~OTHER UNINCORPORATED BUSINESS ENTITY, THE AGGREGATE GROSS RECEIPTS OF~~
14 ~~THE PARTNERSHIP, LIMITED LIABILITY COMPANY, OR OTHER UNINCORPORATED~~
15 ~~BUSINESS ENTITY; AND~~

16 ~~(II) FOR A BROKER OR REAL ESTATE BROKER, COMMISSIONS AND~~
17 ~~FEES PAID TO SALESPERSONS OPERATING IN THE OFFICE OF THE BROKER OR REAL~~
18 ~~ESTATE BROKER.~~

19 ~~(3) "GROSS RECEIPTS" DOES NOT INCLUDE:~~

20 ~~(I) ANY WAGES RECEIVED BY AN EMPLOYEE FOR SERVICES~~
21 ~~PERFORMED FOR THE EMPLOYEE'S EMPLOYER, WITHIN THE MEANING OF THE~~
22 ~~FEDERAL INSURANCE CONTRIBUTION ACT;~~

23 ~~(II) ANY AMOUNTS RECEIVED BY A PERSON WITH RESPECT TO THE~~
24 ~~PERSON'S ACTIVITIES SOLELY AS A PARTNER OR MEMBER OF A PARTNERSHIP,~~
25 ~~LIMITED LIABILITY COMPANY, OR OTHER UNINCORPORATED BUSINESS ENTITY;~~

26 ~~(III) AMOUNTS RECEIVED FROM AN ENTITY:~~

27 ~~1. MORE THAN 80% OF THE INTEREST WHICH IS OWNED~~
28 ~~DIRECTLY, INDIRECTLY, OR BENEFICIALLY BY THE SAME FIVE OR FEWER~~
29 ~~INDIVIDUALS WHO DIRECTLY, INDIRECTLY, OR BENEFICIALLY OWN MORE THAN~~
30 ~~80% OF THE INTEREST IN THE PERSON RECEIVING THE AMOUNTS; OR~~

31 ~~2. 100% OF THE INTEREST IN WHICH IS OWNED DIRECTLY,~~
32 ~~INDIRECTLY, OR BENEFICIALLY BY THE SAME INDIVIDUAL OR FAMILY, WITHIN THE~~
33 ~~MEANING OF § 544(A)(2) OF THE INTERNAL REVENUE CODE, WHO DIRECTLY,~~
34 ~~INDIRECTLY, OR BENEFICIALLY OWNS 100% OF THE INTEREST IN THE PERSON~~
35 ~~RECEIVING THE AMOUNTS; OR~~

36 ~~(IV) COMMISSIONS AND FEES OF A SALESPERSON OPERATING IN~~
37 ~~THE OFFICE OF A BROKER OR REAL ESTATE BROKER.~~

38 ~~(4) FOR AN ADVERTISING AGENCY, AUCTIONEER, BROKER,~~
39 ~~MANUFACTURER'S AGENT OR REPRESENTATIVE, MERCANTILE AGENCY,~~

5

1 ~~COLLECTION AGENCY, OR REAL ESTATE BROKER, "GROSS RECEIPTS" MEANS~~
2 ~~COMMISSIONS AND FEES EARNED.~~

3 ~~(5) FOR COMMERCIAL LESSORS:~~

4 ~~(I) "GROSS RECEIPTS" MEANS THE RENTAL PAYMENT RECEIVED~~
5 ~~FOR A COMMERCIAL UNIT; AND~~

6 ~~(II) "GROSS RECEIPTS" DOES NOT INCLUDE:~~

7 ~~1. THE AMOUNT THAT A COMMERCIAL LESSOR WHO IS~~
8 ~~ALSO A SUBLESSOR PAYS TO ANOTHER LESSOR AS RENT FOR THE SAME~~
9 ~~COMMERCIAL UNIT; OR~~

10 ~~2. ANY RENTAL INCOME RECEIVED BY A COMMERCIAL~~
11 ~~LESSOR UNDER A LEASE WITH RESPECT TO WHICH THE TRANSFER TAX UNDER~~
12 ~~TITLE 13 OF THE TAX PROPERTY ARTICLE HAS BEEN PAID.~~

13 ~~8-502.~~

14 ~~(A) A TAX IS IMPOSED ON THE GROSS RECEIPTS OF EACH PERSON ENGAGED~~
15 ~~IN A GENERAL SERVICE BUSINESS IN THE STATE.~~

16 ~~(B) THE GENERAL SERVICE BUSINESS TAX DOES NOT APPLY TO:~~

17 ~~(1) THE STATE OR A POLITICAL SUBDIVISION OF THE STATE; OR~~

18 ~~(2) A NONPROFIT ORGANIZATION EXEMPTED FROM FEDERAL INCOME~~
19 ~~TAXATION UNDER § 501 OF THE INTERNAL REVENUE CODE.~~

20 ~~8-503.~~

21 ~~(A) THE GENERAL SERVICE BUSINESS TAX RATE IS 0.4% OF TAXABLE GROSS~~
22 ~~RECEIPTS.~~

23 ~~(B) A PERSON'S TAXABLE GROSS RECEIPTS ARE THE AGGREGATE GROSS~~
24 ~~RECEIPTS PAID TO THE PERSON ATTRIBUTABLE TO THE PERSON'S GENERAL~~
25 ~~SERVICE BUSINESS IN THE STATE, REDUCED BY THE DEDUCTION AMOUNTS~~
26 ~~ALLOWED UNDER § 8-504 OF THIS SUBTITLE.~~

27 ~~8-504.~~

28 ~~(A) EXCEPT AS PROVIDED IN SUBSECTION (B) OF THIS SECTION, TO~~
29 ~~DETERMINE TAXABLE GROSS RECEIPTS FOR EACH MONTH A PERSON MAY DEDUCT~~
30 ~~AN AMOUNT EQUAL TO \$15,000 FROM THE PERSON'S AGGREGATE GROSS RECEIPTS~~
31 ~~FOR THE MONTH.~~

32 ~~(B) IF A PERSON IS ALLOWED TO FILE A QUARTERLY RETURN UNDER § 8-505~~
33 ~~OF THIS SUBTITLE, TO DETERMINE TAXABLE GROSS RECEIPTS FOR EACH QUARTER,~~
34 ~~A PERSON MAY DEDUCT AN AMOUNT EQUAL TO \$45,000 FROM THE PERSON'S~~
35 ~~AGGREGATE GROSS RECEIPTS FOR THE QUARTER.~~

36 ~~(C) ALL BRANCHES OR ENTITIES COMPRISING AN ENTERPRISE WITH~~
37 ~~COMMON OWNERSHIP OR COMMON DIRECTION AND CONTROL SHALL BE ALLOWED~~

~~1 ONLY 1 MONTHLY OR QUARTERLY DEDUCTION UNDER THIS SECTION FROM THE
2 AGGREGATE GROSS RECEIPTS OF THE ENTIRE ENTERPRISE.~~

~~3 8-505.~~

~~4 (A) EXCEPT AS PROVIDED IN SUBSECTION (B) OF THIS SECTION, A PERSON
5 SHALL COMPLETE AND FILE WITH THE COMPTROLLER A GENERAL SERVICE
6 BUSINESS TAX RETURN AND PAY THE GENERAL SERVICE BUSINESS TAX ON OR
7 BEFORE THE 21ST DAY OF THE MONTH THAT FOLLOWS THE MONTH IN WHICH THE
8 PERSON RECEIVES AGGREGATE GROSS RECEIPTS ATTRIBUTABLE TO A GENERAL
9 SERVICE BUSINESS IN THE STATE.~~

~~10 (B) FOR ANY CALENDAR YEAR, IF A PERSON'S TAXABLE GROSS RECEIPTS
11 FOR THE 12-MONTH PERIOD BETWEEN JULY 1 AND JUNE 30 THAT ENDED IN THE
12 PRECEDING CALENDAR YEAR DID NOT EXCEED \$750,000, THE RETURN AND
13 PAYMENT OF THE GENERAL SERVICE BUSINESS TAX IS DUE ON OR BEFORE THE 21ST
14 DAY OF THE 1ST MONTH THAT FOLLOWS THE END OF THE CALENDAR QUARTER IN
15 WHICH THE PERSON RECEIVES AGGREGATE GROSS RECEIPTS ATTRIBUTABLE TO A
16 GENERAL SERVICE BUSINESS IN THE STATE.~~

~~17 (C) A RETURN SHALL BE IN THE FORM AND INCLUDE THE INFORMATION
18 THAT THE COMPTROLLER REQUIRES.~~

~~19 (D) A PERSON ENGAGED IN A GENERAL SERVICE BUSINESS IN THE STATE
20 SHALL:~~

~~21 (1) KEEP:~~

~~22 (i) COMPLETE AND ACCURATE RECORDS OF ALL RECEIPTS
23 ATTRIBUTABLE TO ITS GENERAL SERVICE BUSINESS IN THE STATE; AND~~

~~24 (ii) OTHER RECORDS IN THE FORM THAT THE COMPTROLLER
25 REQUIRES BY REGULATION, INCLUDING BILLS OF LADING AND INVOICES;~~

~~26 (2) MAKE THE RECORDS REQUIRED UNDER THIS SUBSECTION
27 AVAILABLE FOR INSPECTION AND EXAMINATION BY THE COMPTROLLER AT ANY
28 TIME DURING BUSINESS HOURS; AND~~

~~29 (3) KEEP THE RECORDS REQUIRED UNDER THIS SUBSECTION FOR 4
30 YEARS, UNLESS THE COMPTROLLER:~~

~~31 (i) CONSENTS IN WRITING TO AN EARLIER DESTRUCTION OF THE
32 RECORDS; OR~~

~~33 (ii) REQUIRES IN WRITING THAT THE RECORDS BE KEPT LONGER.~~

~~34 (E) IF THE COMPTROLLER APPROVES, A PERSON ENGAGING IN MORE THAN
35 ONE GENERAL SERVICE BUSINESS IN THE STATE MAY FILE A CONSOLIDATED
36 RETURN COVERING THE ACTIVITIES OF THE BUSINESSES.~~

7

1 ~~13-201.~~

2 In this subtitle, "tax information" means:

3 ~~(3) any information contained in:~~4 ~~(i) an admissions and amusement tax return;~~5 ~~(II) A GENERAL SERVICE BUSINESS TAX RETURN; or~~6 ~~{(ii)} (III) a sales and use tax return.~~7 ~~13-508.~~

8 (a) Within 30 days after the date on which a notice of assessment of the
 9 admissions and amusement tax, GENERAL SERVICE BUSINESS TAX, income tax, motor
 10 carrier tax, motor fuel tax, public service company franchise tax, financial institution
 11 franchise tax, sales and use tax, or tobacco tax is mailed, a person or governmental unit
 12 against which the assessment is made may submit to the tax collector:

13 ~~(1) an application for revision of the assessment; or~~14 ~~(2) except for the public service company franchise tax, if the assessment is~~
15 ~~paid, a claim for refund.~~16 (c) The Comptroller or an employee of the Comptroller's office expressly
17 designated by the Comptroller promptly:18 ~~(1) (i) shall hold an informal hearing on a person's or governmental unit's~~
19 ~~admissions and amusement tax, GENERAL SERVICE BUSINESS TAX, income tax, motor~~
20 ~~carrier tax, motor fuel tax, sales and use tax, or tobacco tax application for revision or~~
21 ~~claim for refund under subsection (a) of this section; and~~22 ~~(ii) after the hearing:~~23 ~~1. shall act on the application for revision; and~~24 ~~2. may assess any additional tax, penalty, and interest due; and~~25 ~~(2) shall mail to the person or governmental unit a notice of final~~
26 ~~determination.~~27 ~~13-509.~~

28 (a) Notwithstanding a person's failure to file a timely application for revision or
 29 claim for refund of an assessment of the admissions and amusement tax, GENERAL
 30 SERVICE BUSINESS TAX, income tax, motor carrier tax, motor fuel tax, sales and use tax,
 31 or tobacco tax under § 13-508(a) of this subtitle, the Comptroller or the Comptroller's
 32 designee may issue an order decreasing or abating an assessment to correct an erroneous
 33 assessment.

34 ~~13-825.~~

35 (g) The Comptroller may require a person subject to the GENERAL SERVICE
 36 BUSINESS TAX OR sales and use tax to post security for the tax in the amount that the
 37 Comptroller determines.

8

1 ~~13-905.~~

2 (d) ~~For a claim of refund for GENERAL SERVICE BUSINESS TAX OR sales and~~
 3 ~~use tax, the Comptroller shall either:~~

4 (1) ~~pay the refund; or~~

5 (2) ~~allow a credit of the amount of the refund on subsequent GENERAL~~
 6 ~~SERVICE BUSINESS TAX PAYMENTS OR sales and use tax payments due from the~~
 7 ~~claimant.~~

8 ~~13-1001.~~

9 (e) ~~A person, including an officer of a corporation, who is required to file A~~
 10 ~~GENERAL SERVICE BUSINESS TAX RETURN OR a sales and use tax return and who~~
 11 ~~willfully fails to file the return as required under TITLE 8, SUBTITLE 5 OR Title 11 of this~~
 12 ~~article is guilty of a misdemeanor and, on conviction, is subject to a fine not exceeding~~
 13 ~~\$5,000 or imprisonment not exceeding 5 years or both.~~

14 ~~13-1003.~~

15 (e) ~~A person, including an officer of a corporation, who is required to file A~~
 16 ~~GENERAL SERVICE BUSINESS TAX RETURN OR a sales and use tax return and who~~
 17 ~~willfully makes a false statement or misleading omission on the return required under~~
 18 ~~Title 11 of this article is guilty of a misdemeanor and, on conviction, is subject to a fine~~
 19 ~~not exceeding \$5,000 or imprisonment not exceeding 5 years or both.~~

20 ~~13-1008.~~

21 (e) ~~A person, including an officer of a corporation, who is required to keep~~
 22 ~~records under TITLE 8, SUBTITLE 5 OR Title 11 of this article or under GENERAL~~
 23 ~~SERVICE BUSINESS TAX OR sales and use tax regulations and who willfully fails to keep~~
 24 ~~the records is guilty of a misdemeanor and, on conviction, is subject to a fine not~~
 25 ~~exceeding \$1,000 or imprisonment not exceeding 1 year or both.~~

26 ~~13-1102.~~

27 (a) ~~Except as provided in subsection (b) of this section, an action to recover~~
 28 ~~admissions and amusement tax, boxing and wrestling tax, motor fuel tax, GENERAL~~
 29 ~~SERVICE BUSINESS TAX, or sales and use tax may not be brought after 4 years from the~~
 30 ~~date on which the tax is due.~~

31 (b) (1) (i) ~~An action to recover admissions and amusement tax, boxing and~~
 32 ~~wrestling tax, GENERAL SERVICE BUSINESS TAX, or sales and use tax may be brought at~~
 33 ~~any time if there is proof that the tax is not paid due to fraud or gross negligence.~~

34 (ii) ~~An underpayment of 25% or more of the GENERAL SERVICE~~
 35 ~~BUSINESS TAX OR sales and use tax due is prima facie evidence of gross negligence.~~

36 (2) ~~An action to recover motor fuel tax may be brought at any time if there~~
 37 ~~is proof that the tax is not paid due to fraud.~~

1 ~~13-1104.~~

2 ~~(g) Except as provided in § 13-508 of this title, a claim for refund of GENERAL~~
3 ~~SERVICE BUSINESS TAX OR sales and use tax may not be filed after 4 years from the date~~
4 ~~the tax was paid.~~

5 **Article - State Government**

6 2-10A-05.

7 (A) THERE IS A JOINT COMMITTEE ON BUSINESS GROSS RECEIPTS TAXES.

8 (B) THE JOINT COMMITTEE CONSISTS OF THE FOLLOWING 10 MEMBERS:

9 (1) FIVE MEMBERS OF THE SENATE OF MARYLAND, APPOINTED BY THE
10 PRESIDENT OF THE SENATE; AND

11 (2) FIVE MEMBERS OF THE HOUSE OF DELEGATES, APPOINTED BY THE
12 SPEAKER OF THE HOUSE.

13 (C) THE PRESIDENT OF THE SENATE AND THE SPEAKER OF THE HOUSE
14 SHALL SELECT CO-CHAIRMEN FROM THE MEMBERS OF THE JOINT COMMITTEE.

15 (D) THE JOINT COMMITTEE SHALL EXAMINE:

16 (1) GROSS RECEIPTS TAXES ON BUSINESSES IN MARYLAND AND IN
17 OTHER STATES;

18 (2) THE FEASIBILITY OF ESTABLISHING A BROAD GROSS RECEIPTS TAX
19 THAT WOULD APPLY TO BUSINESSES IN THE STATE AS:

20 (I) A WAY TO REPLACE MARYLAND'S SALES AND USE TAX; OR

21 (II) AN ADDITION TO MARYLAND'S SALES AND USE TAX; AND

22 (3) THE POTENTIAL FISCAL AND ECONOMIC IMPACT OF ESTABLISHING
23 A BROAD GROSS RECEIPTS TAX THAT WOULD APPLY TO BUSINESSES IN THE STATE
24 AS:

25 (I) A WAY TO REPLACE MARYLAND'S SALES AND USE TAX; OR

26 (II) AN ADDITION TO MARYLAND'S SALES AND USE TAX.

27 (E) ON OR BEFORE DECEMBER 1, 1998, THE JOINT COMMITTEE SHALL SUBMIT
28 A FINAL REPORT TO THE GOVERNOR AND, SUBJECT TO § 2-1312 OF THIS ARTICLE, TO
29 THE GENERAL ASSEMBLY.

30 (F) THE DEPARTMENT OF FISCAL SERVICES SHALL PROVIDE PRIMARY STAFF
31 SUPPORT TO THE JOINT COMMITTEE WITH ASSISTANCE FROM THE OFFICE OF THE
32 COMPTROLLER.

33 (G) THE JOINT COMMITTEE SHALL TERMINATE AND THIS SECTION SHALL BE
34 NULL AND VOID AFTER JUNE 30, 1999 WITH NO FURTHER ACTION REQUIRED BY THE
35 GENERAL ASSEMBLY.

10

1 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
2 ~~January 1, 1998.~~ October 1, 1997.