By: **Delegates Hixson, Hurson, and C. Davis** Introduced and read first time: February 19, 1999 Assigned to: Rules and Executive Nominations

A BILL ENTITLED

1 AN ACT concerning

2 3	Sales and Use Tax Exemption - Machinery or Equipment - Telecommunications Providers
4 5 6 7 8	FOR the purpose of exempting from the sales and use tax the sale to or use by certain telecommunications providers of certain machinery or equipment; defining certain terms; and generally relating to an exemption from the sales and use tax for certain machinery or equipment sold to or used by certain telecommunications providers.
9 10 11 12 13 14	Section 11-210(d) Annotated Code of Maryland (1997 Replacement Volume and 1998 Supplement)
	MARYLAND, That the Laws of Maryland read as follows:
16	Article - Tax - General
18	11-210. (D) (1) (I) IN THIS SUBSECTION THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.
22	(II) "TELECOMMUNICATIONS" MEANS THE TRANSMISSION OF INFORMATION OF THE USER'S CHOICE, BETWEEN OR AMONG POINTS SPECIFIED BY THE USER, WITHOUT CHANGE IN THE CONTENT OF THE INFORMATION AS IT IS SENT AND RECEIVED.
26	(III) 1. "TELECOMMUNICATIONS PROVIDER" MEANS A PROVIDER OF TELECOMMUNICATIONS FOR A FEE TO THE PUBLIC OR TO CLASSES OF USERS MAKING TELECOMMUNICATIONS AVAILABLE DIRECTLY TO THE PUBLIC, REGARDLESS OF THE FACILITIES USED.

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12."TELECOMMUNICATIONS PROVIDER" INCLUDES2SUBSIDIARIES, AFFILIATES, PARTNERS, AND COVENTURERS OF THE PROVIDER OF3TELECOMMUNICATIONS.

3. "TELECOMMUNICATIONS PROVIDER" DOES NOT INCLUDE
5 A PROVIDER OF TELECOMMUNICATIONS ONLY TO A SINGLE STRUCTURE SUCH AS A
6 HOTEL, AN OFFICE BUILDING, OR AN APARTMENT BUILDING.

7 (2) EXCEPT AS PROVIDED IN PARAGRAPH (3) OF THIS SUBSECTION, THE
8 SALES AND USE TAX DOES NOT APPLY TO THE SALE TO OR USE BY A
9 TELECOMMUNICATIONS PROVIDER OF ANY MACHINERY OR EQUIPMENT, INCLUDING
10 COMPUTER SOFTWARE BUT NOT INCLUDING OFFICE FURNITURE, STANDARD OFFICE
11 EQUIPMENT, OR MOTOR VEHICLES, IF THE EQUIPMENT OR MACHINERY IS RELATED
12 TO THE CONDUCT OF:

13

(I) A TELECOMMUNICATIONS BUSINESS; OR

(II) A BUSINESS THAT OFFERS OR PROVIDES THE USE OF THE
COMPUTER AND TELECOMMUNICATIONS FACILITIES, INCLUDING EQUIPMENT AND
OPERATING SOFTWARE, THAT COMPRISE THE INTERCONNECTED WORLDWIDE
NETWORK OF NETWORKS THAT EMPLOY THE TRANSMISSION CONTROL
PROTOCOL/INTERNET PROTOCOL, OR ANY PREDECESSOR OR SUCCESSOR
PROTOCOLS TO THAT PROTOCOL.

(3) THE EXEMPTION UNDER THIS SECTION DOES NOT APPLY TO A SALE
 TO OR USE BY AN INCUMBENT LOCAL EXCHANGE CARRIER, AS DEFINED IN THE
 FEDERAL TELECOMMUNICATIONS ACT OF 1996, UNLESS THE INCUMBENT LOCAL
 EXCHANGE CARRIER HAS RECEIVED A DETERMINATION UNDER § 271 OF THAT ACT.

24 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect 25 July 1, 1999.

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