

HOUSE BILL 164

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Q7

2000 Regular Session
0lr1160
CF 0lr0874

By: **Delegates Hixson and Healey**

Introduced and read first time: January 19, 2000

Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Public Service Company Franchise Tax - Telephone Companies - Sales of**
3 **Services and Products for Resale**

4 FOR the purpose of excluding from the definition of "gross receipts" subject to the
5 public service company franchise tax gross charges from the sale of a service or
6 product for resale by a telephone company to certain persons that possess an
7 effective sales and use tax license issued by the Comptroller; providing for the
8 application of this Act; and generally relating to an exclusion from the public
9 service company franchise tax for sales by a telephone company of a service or
10 product for resale to certain persons.

11 BY repealing and reenacting, with amendments,
12 Article - Tax - General
13 Section 8-401(c)(4)
14 Annotated Code of Maryland
15 (1997 Replacement Volume and 1999 Supplement)

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

18 **Article - Tax - General**

19 8-401.

20 (c) (4) For a public service company engaged in a telephone business in the
21 State, gross receipts does not include:

22 (i) gross charges from the sale by the public service company OF A
23 SERVICE OR PRODUCT FOR RESALE:

24 1. to another public service company subject to the tax
25 imposed by this subtitle [of a service or product for resale]; OR

26 2. TO A PROVIDER OF CELLULAR TELEPHONE OR OTHER
27 MOBILE TELECOMMUNICATIONS SERVICE THAT POSSESSES AN EFFECTIVE LICENSE
28 ISSUED BY THE COMPTROLLER UNDER TITLE 11, SUBTITLE 7 OF THIS ARTICLE;

1 (ii) gross charges from the sale by the public service company of
2 Internet access service by which a connection is provided between a computer and the
3 Internet; or

4 (iii) gross charges from the sale of telecommunications service
5 obtained by using a prepaid telephone calling arrangement, as defined in § 11-101 of
6 this article.

7 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
8 October 1, 2000 and shall be applicable to all taxable years beginning after December
9 31, 2000.