

SENATE BILL 120

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Q4
SB 151/96 - B&T

2001 Regular Session
11r0962
CF 11r1506

By: **Senators Green, Currie, Exum, and Lawlah**
Introduced and read first time: January 16, 2001
Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **Prince George's County - Sales Tax for School Construction**

3 FOR the purpose of authorizing the County Council for Prince George's County to
4 impose a tax on retail sales in the County; defining certain terms; exempting
5 from the tax sales that are exempt from the State sales and use tax; limiting the
6 rate of the tax; imposing certain collection and administrative requirements on
7 vendors who make sales subject to the tax; authorizing certain vendors to deduct
8 a certain percentage of the gross tax collected for the cost of collection and
9 remittance of the tax; authorizing the County Council of Prince George's County
10 to provide by law for imposition of interest and penalties for failure to pay the
11 tax as required and to provide for collection of unpaid tax, interest, or penalties;
12 requiring that the net proceeds of the tax revenue be used only for certain
13 purposes; submitting this Act to a referendum of the legally qualified voters of
14 Prince George's County; providing for a delayed effective date; and generally
15 relating to authority for Prince George's County to impose a tax on retail sales in
16 the County.

17 BY adding to
18 Article 24 - Political Subdivisions - Miscellaneous Provisions
19 Section 9-606
20 Annotated Code of Maryland
21 (1998 Replacement Volume and 2000 Supplement)

22 BY repealing and reenacting, with amendments,
23 Article - Tax - General
24 Section 11-102(b)
25 Annotated Code of Maryland
26 (1997 Replacement Volume and 2000 Supplement)

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

Article 24 - Political Subdivisions - Miscellaneous Provisions

2 9-606.

3 (A) IN THIS SECTION, "RETAIL SALE", "SALE", AND "TAXABLE PRICE" HAVE THE
4 MEANINGS STATED IN § 11-101 OF THE TAX - GENERAL ARTICLE.

5 (B) EXCEPT AS OTHERWISE PROVIDED IN THIS SECTION, THE COUNTY
6 COUNCIL FOR PRINCE GEORGE'S COUNTY MAY IMPOSE, BY ORDINANCE, AND
7 COLLECT A SALES TAX ON A RETAIL SALE IN PRINCE GEORGE'S COUNTY.

8 (C) A TAX IMPOSED UNDER THIS SECTION DOES NOT APPLY TO A SALE THAT
9 IS EXEMPT FROM THE STATE SALES AND USE TAX UNDER TITLE 11 OF THE TAX -
10 GENERAL ARTICLE.

11 (D) A TAX IMPOSED UNDER THIS SECTION MAY NOT EXCEED 1% OF THE
12 TAXABLE PRICE OF A SALE THAT IS SUBJECT TO THE TAX.

13 (E) A TAX IMPOSED UNDER THIS SECTION SHALL BE:

14 (1) COLLECTED FROM THE BUYER ON BEHALF OF THE COUNTY BY THE
15 VENDOR THAT MAKES A SALE THAT IS SUBJECT TO THE TAX; AND

16 (2) HELD IN TRUST BY THE VENDOR FOR THE COUNTY.

17 (F) (1) A VENDOR REQUIRED TO COLLECT A TAX IMPOSED UNDER THIS
18 SECTION SHALL FILE A RETURN WITH THE COUNTY ON OR BEFORE THE 21ST DAY OF
19 EACH MONTH.

20 (2) A RETURN REQUIRED UNDER THIS SECTION:

21 (I) SHALL BE MADE ON THE FORM THAT THE COUNTY REQUIRES;
22 AND

23 (II) SHALL CONTAIN THE INFORMATION THAT THE COUNTY
24 REQUIRES, INCLUDING:

25 1. THE GROSS PROCEEDS OF THE VENDOR DURING THE
26 PRECEDING MONTH FROM SALES THAT ARE SUBJECT TO THE TAX;

27 2. THE TAXABLE PRICE OF SALES FOR THAT MONTH ON
28 WHICH THE TAX IS COMPUTED; AND

29 3. THE TAX DUE.

30 (G) (1) A VENDOR THAT MAKES A SALE THAT IS SUBJECT TO A TAX IMPOSED
31 UNDER THIS SECTION SHALL PAY THE TAX THAT THE VENDOR COLLECTS FOR THAT
32 SALE WITH THE RETURN THAT COVERS THE PERIOD IN WHICH THE VENDOR MAKES
33 THAT SALE.

1 (2) FOR THE EXPENSE OF COLLECTION AND REMITTANCE OF A TAX
2 IMPOSED UNDER THIS SECTION, A VENDOR THAT TIMELY FILES A RETURN AND
3 REMITS THE TAX MAY DEDUCT AN AMOUNT EQUAL TO 1.5% OF THE GROSS TAX
4 COLLECTED BY THE VENDOR.

5 (H) THE COUNTY COUNCIL MAY PROVIDE BY LAW FOR:

6 (1) THE IMPOSITION OF INTEREST AND PENALTIES FOR FAILURE TO PAY
7 THE TAX AS REQUIRED; AND

8 (2) COLLECTION OF UNPAID TAX, INTEREST, OR PENALTIES.

9 (I) THE NET PROCEEDS DERIVED FROM A TAX IMPOSED UNDER THIS
10 SECTION SHALL BE USED ONLY FOR THE PURPOSE OF PROVIDING CAPITAL FUNDING
11 FOR THE CONSTRUCTION, RENOVATION, AND UPGRADING OF PUBLIC SCHOOLS IN
12 PRINCE GEORGE'S COUNTY, INCLUDING FUNDING OF DEBT SERVICE ON BONDS.

13 **Article - Tax - General**

14 11-102.

15 (b) (1) A county, municipal corporation, special taxing district, or other
16 political subdivision of the State may not impose any retail sales or use tax except:

17 (i) a sales tax or use tax that was in effect on January 1, 1971;

18 (ii) a tax on the sale or use of:

19 1. fuels;

20 2. utilities;

21 3. space rentals; or

22 4. any controlled dangerous substance, as defined in Article
23 27, § 277 of the Code, unless the sale is made by a person who registers under and
24 complies with Article 27, § 281 of the Code; [or]

25 (iii) a tax imposed by a code county on the sale or use of food and
26 beverages authorized under Article 25B, § 13H of the Code; OR

27 (IV) A SALES TAX IMPOSED BY PRINCE GEORGE'S COUNTY UNDER
28 ARTICLE 24, § 9-606 OF THE CODE.

29 (2) Paragraph (1) of this subsection may not be construed as conferring
30 authority to impose a sales and use tax.

31 SECTION 2. AND BE IT FURTHER ENACTED, That before this Act becomes
32 effective it shall first be submitted to a referendum of the legally qualified voters of
33 Prince George's County at the general election to be held in November of 2002. The
34 county governing body and the Board of Supervisors of Elections of Prince George's

1 County shall do those things necessary and proper to provide for and hold the
2 referendum required by this section. If a majority of the votes cast on the question are
3 "For the referred law" the provisions of this Act shall become effective on January 1,
4 2003, but if a majority of the votes cast on the question are "Against the referred law"
5 the provisions of this Act are of no effect and null and void.

6 SECTION 3. AND BE IT FURTHER ENACTED, That, subject to the provisions
7 of Section 2 of this Act and for the sole purpose of providing for the referendum
8 required by Section 2 of this Act, this Act shall take effect October 1, 2002.