
By: **Delegates Hixson, C. Davis, Healey, Bozman, Howard, Franchot, and Hurson**

Introduced and read first time: January 28, 2002
Assigned to: Ways and Means

Committee Report: Favorable
House action: Adopted
Read second time: March 12, 2002

CHAPTER _____

1 AN ACT concerning

2 **Sales and Use Tax - Taxable Price - Communications Services**

3 FOR the purpose of excluding from the taxable price subject to the sales and use tax
4 certain charges for nontaxable services made in connection with a sale of a
5 taxable communication service under certain circumstances; and generally
6 relating to the sales and use taxation of certain communications services.

7 BY repealing and reenacting, with amendments,
8 Article - Tax - General
9 Section 11-101(j)(3)
10 Annotated Code of Maryland
11 (1997 Replacement Volume and 2001 Supplement)

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

14 **Article - Tax - General**

15 11-101.

16 (j) (3) "Taxable price" does not include:

17 (i) a charge that is made in connection with a sale and is stated as
18 a separate item of the consideration for:

1 CAN REASONABLY IDENTIFY CHARGES NOT SUBJECT TO TAX FROM ITS BOOKS AND
2 RECORDS THAT ARE KEPT IN THE REGULAR COURSE OF BUSINESS.

3 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
4 July 1, 2002.