
By: **Prince George's County Delegation**
Introduced and read first time: February 5, 2003
Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Prince George's County - Telecommunications Tax - Exemption Based on**
3 **Age**
4 **PG 417-03**

5 FOR the purpose of authorizing the County Council for Prince George's County to
6 exempt services provided to certain classes of persons based on age from the
7 sales and use tax imposed on certain telecommunications services in Prince
8 George's County; and generally relating to authorizing the Prince George's
9 County Council to exempt certain persons from a certain telecommunications
10 tax.

11 BY repealing and reenacting, with amendments,
12 Article 24 - Political Subdivisions - Miscellaneous Provisions
13 Section 9-606
14 Annotated Code of Maryland
15 (2001 Replacement Volume and 2002 Supplement)

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

18 **Article 24 - Political Subdivisions - Miscellaneous Provisions**

19 9-606.

20 (a) The County Council for Prince George's County shall impose, by ordinance,
21 and collect a sales and use tax on telecommunications service in Prince George's
22 County at a rate not less than 5%.

23 (b) (1) (i) In this subsection the following words have the meanings
24 indicated.

25 (ii) "Mobile Telecommunications Sourcing Act" means the federal
26 Mobile Telecommunications Sourcing Act, P.L. 106-252.

27 (iii) "Service address" means:

1 1. Except as provided in item 2 of this subparagraph, the
2 location of the telecommunications equipment to which a call is charged, regardless of
3 where the call is billed or paid; and

4 2. In the case of mobile telecommunications service, the
5 location of the customer's place of primary use as defined in the Mobile
6 Telecommunications Sourcing Act.

7 (2) Except as otherwise provided in this section, the sales and use tax
8 authorized under this section shall apply to telecommunications service that:

9 (i) Originates and terminates in Prince George's County; or

10 (ii) Originates or terminates in Prince George's County and has a
11 service address in Prince George's County.

12 (3) Notwithstanding paragraph (2) of this subsection, for customer bills
13 to which the amendment made by the Mobile Telecommunications Sourcing Act
14 applies, the sales and use tax authorized under this section shall apply to mobile
15 telecommunications services to the fullest extent authorized under § 117(b) of the
16 Mobile Telecommunications Sourcing Act.

17 (c) A tax imposed under this section does not apply to:

18 (1) Telecommunications services provided to a person to whom a sale of
19 tangible personal property or a taxable service is exempt under § 11-204 or § 11-220
20 of the Tax - General Article; or

21 (2) A prepaid telephone calling arrangement that is a taxable service
22 under Title 11 of the Tax - General Article.

23 (d) THE COUNTY COUNCIL FOR PRINCE GEORGE'S COUNTY MAY EXEMPT
24 FROM THE TAX IMPOSED UNDER THIS SECTION TELECOMMUNICATIONS SERVICES
25 PROVIDED TO CLASSES OF INDIVIDUALS BASED ON AGE.

26 (E) (1) The tax shall be itemized on each bill for telecommunications service
27 in Prince George's County.

28 (2) Each vendor providing telecommunications service in Prince George's
29 County shall collect the tax on behalf of the county and remit the tax to the county.

30 [(e)] (F) (1) The net proceeds of the revenue from the tax imposed under
31 this section shall be used only for operating expenditures of the Prince George's
32 County school system.

33 (2) The proceeds provided under this section for operating expenditures
34 of the Prince George's County public school system may not be used to supplant any
35 State aid for education provided to the county, or any county funds provided to the
36 Prince George's County school system.

1 (3) Among the expenditures to be funded from the proceeds, the Board
2 shall consider:

3 (i) A program to serve disruptive, delinquent, or low-performing
4 students in grades 6 through 12 that:

5 1. Provides proof of progress in reading and mathematics;

6 2. Is designed to include small learning communities and
7 areas of support services provided by community-based providers; and

8 3. Is operated:

9 A. By an educational provider with substantial experience
10 serving the type of student population served by the program; and

11 B. In separate school facilities provided by the education
12 provider, unless the public school system decides otherwise; and

13 (ii) A Spanish language immersion program to serve at least 450
14 students in kindergarten through grade 5 in order to address long-term labor needs
15 for bilingual employees.

16 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
17 June 1, 2003.