

Chapter 292

(Senate Bill 945)

AN ACT concerning

Sales and Use Tax – Taxable Services – Telephone Answering Service

FOR the purpose of defining “telephone answering service” for the purpose of establishing that the service is taxable under the sales and use tax only if the service is provided in a certain manner; establishing that a telephone answering service is not a taxable service if certain acts are only incidental to and a certain percentage of certain gross receipts; making this Act an emergency measure; and generally relating to the sales and use tax.

BY repealing and reenacting, without amendments,
Article – Tax – General
Section 11–101(a) and (m)(7)
Annotated Code of Maryland
(2016 Replacement Volume and 2018 Supplement)

BY adding to
Article – Tax – General
Section 11–101(m–1)
Annotated Code of Maryland
(2016 Replacement Volume and 2018 Supplement)

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

Article – Tax – General

11–101.

- (a) In this title the following words have the meanings indicated.
- (m) “Taxable service” means:
 - (7) a telephone answering service;

(M–1) (1) “TELEPHONE ANSWERING SERVICE” MEANS A SERVICE PROVIDED TO A CUSTOMER THAT CONSISTS EXCLUSIVELY OF THE TAKING OF MESSAGES, EITHER BY AN AUTOMATED SYSTEM OR BY A LIVE OPERATOR, AND TRANSMITTING THE MESSAGES TO THE CUSTOMER.

(2) “TELEPHONE ANSWERING SERVICE” DOES NOT INCLUDE THE

PHYSICAL ACT OF ANSWERING A TELEPHONE ON BEHALF OF A CUSTOMER, IF THE ACT IS INCIDENTAL TO AND LESS THAN 5% OF THE SERVICE PROVIDER'S TOTAL GROSS RECEIPTS IN A CALENDAR YEAR.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act is an emergency measure, is necessary for the immediate preservation of the public health or safety, has been passed by a ye and nay vote supported by three-fifths of all the members elected to each of the two Houses of the General Assembly, and shall take effect from the date it is enacted.

Approved by the Governor, April 30, 2019.