

~~(B) SUBJECT TO SUBSECTION (C) OF THIS SECTION, THE GOVERNING BODY OF A COUNTY OR MUNICIPAL CORPORATION MAY PROVIDE, BY LAW, FOR:~~

~~(1) THE AMOUNT AND DURATION OF A PROPERTY TAX CREDIT UNDER THIS SECTION; AND~~

~~(2) ANY OTHER PROVISION NECESSARY TO CARRY OUT THIS SECTION.~~

~~(C) THE PROPERTY TAX CREDIT UNDER THIS SECTION MAY NOT EXCEED 60% OF THE COUNTY OR MUNICIPAL CORPORATION PROPERTY TAX ASSESSED ON THAT PROPERTY.~~

*Preamble*

*WHEREAS, For many decades, the telephone industry was a classic natural monopoly due to the high initial costs of entering the market and the significant economies of scale associated with service delivery, and Maryland, like most states, has a tax structure for companies operating as monopolies that differs from those in competitive industries; and*

*WHEREAS, A series of technological advances combined with Federal Commerce Commission rulings in the telephone industry during the 1960s and 1970s gradually opened a door to competition in the industry, and these changes eventually led to the breakup of the telephone industry monopoly with the forced divestiture of American Telephone and Telegraph in 1984; and*

*WHEREAS, Since that time competition has continued to increase in the telecommunications industry in the provision of local telephone and long distance services as well as in equipment manufacturing and sales; and*

*WHEREAS, The growth of the telecommunications industry in Maryland is important to the overall growth in the State's economy, and it is important that State and local governments tax telecommunications companies fairly to ensure that telecommunications companies operating in Maryland are not at a competitive disadvantage; and*

*WHEREAS, Maryland State and local governments currently rely on the revenues generated from the taxes on telecommunications companies, and economic forecasts indicate that growth in all revenues based on the existing tax structure is not expected to keep pace with growth in overall government spending over the next 5 years; and*

*WHEREAS, Before making changes to one type of tax on telecommunications companies, it is important that all of the different taxes on the industry be assessed and evaluated as a whole; now, therefore,*

*SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That a Task Force on Telecommunications Taxes shall be established for the purpose of undertaking a broad, comprehensive, and thorough study of the State and local tax structure on telecommunications companies in Maryland.*

*The study shall include an examination of all State and local taxes being paid by companies in the telecommunications industry in Maryland. It shall include but not be limited to income, gross receipts, sales, excise, and property taxes as well as methods of valuing real and personal property.*