

Among the factors the Task Force shall take into account in assessing the effectiveness of the current system of taxation of telecommunications companies are:

- (1) revenue sufficiency;
- (2) fairness and equity;
- (3) competitiveness;
- (4) economic market neutrality;
- (5) impact on economic growth; and
- (6) simplicity and ease of administration.

In addition, the Task Force shall include in its study a thorough examination of the effects that any potential changes will have on local governments and their revenues.

The Task Force shall consider possible changes to the tax structure that may be needed, analyze the advantages and disadvantages of the changes, and make recommendations.

The Task Force shall be made up of the following 13 members:

(1) 3 members of the Senate Budget and Taxation Committee, appointed by the President of the Senate;

(2) 3 members of the House Committee on Ways and Means, appointed by the Speaker of the House;

(3) 2 representatives from the Maryland Association of Counties;

(4) 1 representative from the Maryland Municipal League; and

(5) 4 individuals from the private sector, appointed jointly by the President of the Senate and the Speaker of the House of Delegates, including at least 1 representative of long distance providers, 1 representative of local exchange companies, and 1 representative from the Maryland Chamber of Commerce.

The Task Force shall have two co-chairmen, one of whom shall be appointed by the President of the Senate and one of whom shall be appointed by the Speaker of the House.

The Department of Fiscal Services shall provide staff to the Task Force and, subject to the approval of the President of the Senate and the Speaker of the House of Delegates, may contract with individuals or other firms with technical expertise in telecommunications taxation to provide information and/or analysis.

The Task Force shall complete its study and report its findings and recommendations to the Senate Budget and Taxation Committee and the House Committee on Ways and Means by January 15, 1995.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 1994.

Approved May 26, 1994.