

provider's monthly billing that the public service company franchise tax line item is not a tax increase but merely a disclosure of taxes presently and previously paid by the customer.

*SECTION 3. AND BE IT FURTHER ENACTED, That the General Assembly finds that the actual fiscal impact of this Act will depend on the attainment of corporate income tax revenues and the amount of the credit against the State income tax taken by companies, and that corporate income tax revenues fluctuate from year to year and are difficult to project. In that regard, the Comptroller of the Treasury and the Department of Assessments and Taxation shall submit a report to the House Committee on Ways and Means and the Senate Budget and Taxation Committee disclosing for tax year 1998, for public utilities that are telecommunications companies, the corporate income tax revenues collected and the amount of corporate income tax credits taken, attributable to this Act. The report shall be submitted on or before November 15, 1999.*

SECTION 4: ~~3.~~ 4. AND BE IT FURTHER ENACTED, That Section 1 of this Act shall take effect January 1, 1998. The changes to the public service company franchise tax and the income tax under Section 1 of this Act shall be applicable to all taxable years beginning after December 31, 1997; provided, however, that the income tax credit allowed under § 10-708 of the Tax - General Article shall be allowed only for property tax paid for a property tax year beginning on or after July 1, 1998. The changes to the ~~Property Tax~~ Property Tax - Property Article under Section 1 of this Act shall be applicable to all property tax years beginning on or after July 1, 1998.

~~SECTION 5. AND BE IT FURTHER ENACTED, That Section 2 of this Act shall take effect January 1, 2000.~~

SECTION 6: ~~4.~~ 5. AND BE IT FURTHER ENACTED, That ~~Section 3-2~~ Sections 2 and 3 of this Act shall take effect July 1, 1997.

Approved May 22, 1997.

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## CHAPTER 630

### (House Bill 512)

AN ACT concerning

#### Telecommunications Tax Reform

FOR the purpose of excluding certain gross charges from the definition of "gross receipts" subject to the public service company franchise tax; ~~altering the definitions of "public service company" and "gross receipts" under the public service company franchise tax; defining "telecommunications service" for purposes of the public service company franchise tax; altering the public service company franchise tax rate for a person providing a telecommunications service in the State; providing that the public service company franchise tax with respect to gross receipts from telecommunications service shall be added to and disclosed as an element of the charge to the customer for the service; limiting a certain subtraction modification~~