

~~(2) The Public Service Commission shall determine and require a reduction in telephone rates to be effective January 1, 1998 to reflect the impact on total State taxes resulting from §§ 10-306(e), 10-307, and 10-708 of the Tax - General Article as enacted under Section 1 of this Act; and~~

~~(3) (b) Notwithstanding the provisions of § 8-409 of the Tax - General Article as enacted under Section 1 of this Act, a local telephone service provider may not add the public service company franchise tax to its charge to the customer for local telephone service until the reduction in local telephone rates required under this section is effective; effective; and~~

~~(c) Beginning with the first monthly billing showing the public service company franchise tax as a line item on the customer bill and for the next three billings thereafter, a local telephone service provider shall provide the customer with information in the 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 this 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 Tax - Property Article under Section 1 of this Act shall be applicable to all property tax years beginning on or after July 1, 1998. The changes to the Property Tax 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~~ Sections 3 2 and 3 of this Act shall take effect July 1, 1997.~~

Approved May 22, 1997.