

federal income tax purposes the taxable year of a public service company engaged in an electric or gas business in the State is not the calendar year:

(1) The changes to the public service company franchise tax and the income tax under Section 1 of this Act do not apply to the public service company until the beginning of the public service company's taxable year for federal income tax purposes during calendar year 2000;

(2) For the period from January 1, 2000, through the end of the public service company's taxable year for federal income tax purposes that ends during calendar year 2000, the public service company franchise tax as it existed before the changes under Section 1 of this Act shall be imposed on the public service company; and

(3) For the period from the beginning of the public service company's taxable year for federal income tax purposes that begins during calendar year 2000 through December 31, 2000, the public service company franchise tax as enacted under Section 1 of this Act shall be imposed on the public service company.

SECTION 4. AND BE IT FURTHER ENACTED, That this Act is contingent on the taking effect of the Electric Customer Choice and Competition Act of 1999, Chapter _____ (S.B. _____/H.B. _____) (~~91-1907/91-1908~~) of the Acts of the General Chapter 3/4 (S.B. 300/H.B. 703) of the Acts of the General Assembly of 1999, and if Chapter 3/4 does not become effective, this Act shall be null and void without the necessity of further action by the General Assembly.

SECTION 5. AND BE IT FURTHER ENACTED, That, for a taxable year beginning after December 31, 1999 but before January 1, 2001, notwithstanding §§ 13-602 and 13-702 of the Tax - General Article:

(a) Except as provided in subsection (b) of this section, the Comptroller shall assess interest and penalty under §§ 13-602 and 13-702 of the Tax - General Article if a public service company engaged in an electric or gas business in the State pays estimated income tax for the taxable year in an amount less than 90% of the tax required to be shown on the public service company's income tax return for the taxable year.

(b) Subsection (a) of this section does not apply if the public service company pays estimated public service company franchise tax for the taxable year in an amount that when added to the estimated income tax paid by the public service company for the taxable year is at least equal to the public service company franchise tax paid by the public service company for the prior taxable year.

SECTION 6. AND BE IT FURTHER ENACTED, That, on or before September 15, 2003, the Comptroller of the Treasury, the Department of Assessments and Taxation, and the Public Service Commission, in cooperation with the Maryland Association of Counties and electric and gas public service companies in the State, shall jointly conduct a study and report to the Senate Budget and Taxation Committee and the House Committee on Ways and Means on the effectiveness of this Act in achieving the General Assembly's goal of providing for an equitable and rational restructuring of State and local taxes on electric and gas utilities in light of