

sales and use tax in regard to the generation of electricity; altering the definition of taxable price under the sales and use tax to include a separately stated charge for a taxable delivery service; making the delivery of electricity or natural gas a taxable service under the sales and use tax if the sale of the electricity or natural gas is taxable; clarifying a certain exemption under the sales and use tax for sales of certain energy for use in residential property; defining a public utility for purposes of the property tax law; altering the definition of operating personal property for property tax purposes for certain public utilities; establishing separate property tax subclasses in personal property for machinery and equipment used to generate electricity; providing a partial exemption from property tax for machinery and equipment used to generate electricity for sale; phasing in the exemption over a certain period; requiring the Department of Assessments and Taxation to consider and evaluate certain criteria in determining whether to classify a company as a public utility for property tax purposes; authorizing the Department to classify a company as a public utility under certain circumstances notwithstanding the company's failure to meet all the criteria; requiring the State to ~~make certain annual grants to~~ reimburse certain counties in certain amounts for certain fiscal years for certain costs of a certain property tax exemption; requiring the State to make a certain annual grant to a certain county for certain fiscal years under certain circumstances; repealing the public service company franchise tax as to oil pipeline companies and telegraph companies; defining certain terms; requiring the Public Service Commission to determine and require certain adjustments in electric and gas utility rates; prohibiting an electric or gas public service company from surcharging a certain tax to its customers until a certain reduction in rates is effective; altering certain provisions relating to interest and penalties on certain underestimated tax for a certain taxable year for a public service company engaged in an electric or gas business in the State; making this Act contingent on the taking effect of another Act; requiring the Comptroller, the Department of Assessments and Taxation, and the Public Service Commission, in cooperation with certain persons, to conduct a study to be coordinated by the Department of Legislative Services and to report to the General Assembly on or before a certain date; providing for the effective dates and application of this Act; and generally relating to the taxation of public service companies engaged in an electric or gas business in the State.

BY repealing and reenacting, with amendments,

Article - Tax - General

Section 1-101(s), 8-401 through 8-404, 8-409, 11-101(d)(1)(ii), (j)(3)(i)1., and (k)(9) and (10), and 11-207(a)(2)

Annotated Code of Maryland

(1997 Replacement Volume and 1998 Supplement)

BY adding to

Article - Tax - General

Section 8-402.1, 8-417, 10-306(d) and (e), 10-309, 10-712, 10-713, 11-101(k)(11); and 11-1A-01 through ~~11-1A-05~~ 11-1A-06 to be under the