

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

Article - Tax - General

8-401.

(b) (3) "Gross receipts" does not include:

- (i) any revenue that a public service company derives from an activity other than an electric, gas, oil pipeline, telegraph, or telephone business;
- (ii) net uncollectible revenue;
- (iii) gross charges from the sale by a public service company to another public service company subject to the tax imposed by this subtitle of:
 - 1. a service or product for resale; or
 - 2. natural gas or natural gas delivery service that is used by the other public service company in the generation of electricity; [or]
- (iv) gross charges from the sale by a public service company of internet access service by which a connection is provided between a computer and the internet; OR

(V) GROSS CHARGES FROM THE SALE OF TELECOMMUNICATIONS SERVICE OBTAINED BY USING A PREPAID TELEPHONE CALLING ARRANGEMENT, AS DEFINED IN § 11-101 OF THIS ARTICLE.

11-101.

(C-1) "PREPAID TELEPHONE CALLING ARRANGEMENT" MEANS THE RIGHT TO USE TELECOMMUNICATIONS SERVICES, PAID FOR IN ADVANCE, THAT ENABLES THE ORIGINATION OF CALLS USING AN ACCESS NUMBER OR AUTHORIZATION CODE, WHETHER MANUALLY OR ELECTRONICALLY DIALED.

(k) "Taxable service" means:

- (9) credit reporting; [or]
- (10) a security service, including:
 - (i) a detective, guard, or armored car service; and
 - (ii) a security systems service [.] ; OR
- (11) A PREPAID TELEPHONE CALLING ARRANGEMENT.

11-108.

THE SALE OR RECHARGE OF A PREPAID TELEPHONE CALLING ARRANGEMENT IS TAXABLE IN THE STATE IF:

- (1) THE SALE OR RECHARGE TAKES PLACE AT THE VENDOR'S PLACE OF BUSINESS LOCATED IN THE STATE;