

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

**Article 24 - Political Subdivisions - Miscellaneous Provisions**

9-606.

(a) The County Council for Prince George's County ~~shall~~ **MAY** impose, by ordinance, and collect a sales and use tax on telecommunications service in Prince George's County at a rate not less than 5%.

(b) (1) (i) In this subsection the following words have the meanings indicated.

(ii) "Mobile Telecommunications Sourcing Act" means the federal Mobile Telecommunications Sourcing Act, P.L. 106-252.

(iii) "Service address" means:

1. Except as provided in item 2 of this subparagraph, the location of the telecommunications equipment to which a call is charged, regardless of where the call is billed or paid; and

2. In the case of mobile telecommunications service, the location of the customer's place of primary use as defined in the Mobile Telecommunications Sourcing Act.

(2) Except as otherwise provided in this section, the sales and use tax authorized under this section shall apply to telecommunications service that:

(i) Originates and terminates in Prince George's County; or

(ii) Originates or terminates in Prince George's County and has a service address in Prince George's County.

(3) Notwithstanding paragraph (2) of this subsection, AND EXCEPT AS PROVIDED IN SUBSECTION (C) OF THIS SECTION, for customer bills to which the amendment made by the Mobile Telecommunications Sourcing Act applies, the sales and use tax authorized under this section shall apply to mobile telecommunications services to the fullest extent authorized under § 117(b) of the Mobile Telecommunications Sourcing Act.

(c) A tax imposed under this section does not apply to:

(1) Telecommunications services provided to a person to whom a sale of tangible personal property or a taxable service is exempt under § 11-204 or § 11-220 of the Tax - General Article; [or]

(2) A prepaid telephone calling arrangement that is a taxable service under Title 11 of the Tax - General Article; OR

(3) TELEPHONE LIFELINE SERVICE PROVIDED UNDER § 8-201 OF THE PUBLIC UTILITY COMPANIES ARTICLE.