

Contact: Collections Division
410-361-9690

TELECOMMUNICATIONS TAX

RULES AND REGULATIONS

ADOPTED UNDER THE AUTHORITY OF SUBTITLE 25, OF ARTICLE 28
Of the Baltimore City Code as last amended by Ordinance 10-0303
Approved June 29th, 2010

Operators shall retain in their files at their principal business or if not located in Baltimore City some other convenient location within the City of Baltimore, duplicate copies of tax returns along with records and information in support of all returns. All such supporting information shall be retained by the operator for the same period as is required for Federal Tax purposes.

Monthly payment forms shall be filed for each account. The monthly payment forms shall be completed in their entirety and filed on or before the 25th day of each month.

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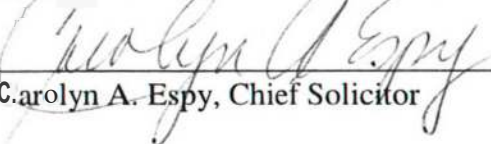
Any exemption claimed by virtue of non-taxable status under this ordinance, shall be reported monthly. The only exemption allowed under this law is for "Lifeline Service" customers, as defined by the rules of the Federal Communications Commission and the State Public Service Commission. Exemptions claimed must be supported by documentation that must be submitted with the monthly tax returns. The company shall retain all exemptions in their files in the same manner and for the same period of time as all other pertinent information, and make these records available, at all times during business hours, for inspection and audit by authorized representatives of the City of Baltimore.

The return shall be signed by the owner, officer, partner, or authorized representative of the operating entity as to the correctness and accuracy of the return.

Any person, who violates any provision of this subtitle or of a Rule and Regulation adopted under this subtitle is guilty of a misdemeanor and, on conviction, is subject to a fine of not more than \$1,000.00 or to imprisonment for not more than 12 months or to both fine and imprisonment for each offense.

These regulations have been approved this 29th day of the month of June, 2010 and submitted to the Department of Legislative Reference pursuant of the provision of Section 25-8 (b) of Ordinance No. 04-0726.

APPROVED FOR FORM AND LEGAL SUFFICIENCY:

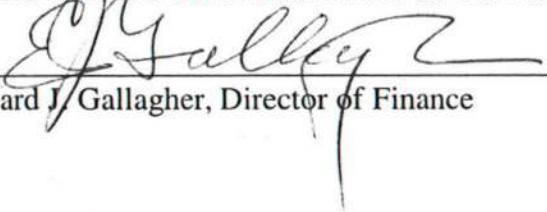


Carolyn A. Espy, Chief Solicitor

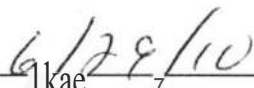


Date

APPROVED BY THE DIRECTOR OF FINANCE:



Edward J. Gallagher, Director of Finance



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TELECOMMUNICATIONS TAX

RULES AND REGULATIONS

ADOPTED UNDER THE AUTHORITY OF SUBTITLE 25, OF ARTICLE 28
Of the Baltimore City Code as last amended by Ordinance 04-726
Approved June 23, 2004

Operators shall retain in their files at their principal business or if not located in Baltimore City some other convenient location within the City of Baltimore, duplicate copies of tax returns along with records and information in support of all returns. All such supporting information shall be retained by the operator for the same period as is required for Federal Tax purposes.

Monthly payment forms shall be filed for each account. The monthly payment forms shall be completed in their entirety and filed on or before the 25th day of each month.

The tax is applicable to all telecommunications "lines," meaning a wired or wireless connection, identifiable through a unique telephone number, to an exchange, wireless, or other telecommunications service. "Wireless service" does not include paging services licensed by the Federal Communications Commission under 47 C.F.R., Parts 22 and 90, as in effect on July 1, 2004.

The tax is applicable to telecommunications services provided beginning August 1, 2004. Land lines shall be taxed at the current percentage (12%) sales tax rate for services through July 31, 2004. Wireless lines shall not be taxed on any service through July 31, 2004. For service provided beginning on August 1, 2004, the rate of tax imposed is:

- 1) \$3.50 per month or part of a month for every telecommunications line, whether a residence, business, PBX trunk line, or other wired or wireless telecommunications line, except for centrex lines; and
- 2) \$0.35 per month or part of a month for each centrex line.

The tax for the first August billing cycles overlapping August 1, 2004 only should be prorated to reflect the change in tax rates for land lines and the new tax for wireless lines beginning August 1, 2004.

Any exemption claimed by virtue of non-taxable status under this ordinance, shall be reported monthly. The only exemption allowed under this law is for "Lifeline Service" customers, as defined by the rules of the Federal Communications Commission and the State Public Service Commission. Exemptions claimed must be supported by documentation that must be submitted with the monthly tax returns. The company shall retain all exemptions in their files in the same

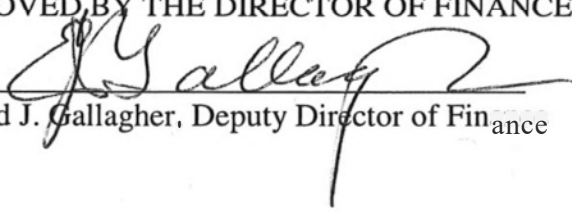
manner and for the same period of time as all other pertinent information, and make these records available, at all times during business hours, for inspection and audit by authorized representatives of the City of Baltimore.

The return shall be signed by the owner, officer, partner, or authorized representative of the operating entity as to the correctness and accuracy of the return.

Any person, who violates any provision of this subtitle or of a Rule and Regulation adopted under this subtitle is guilty of a misdemeanor and, on conviction, is subject to a fine of not more than \$1,000.00 or to imprisonment for not more than 12 months or to both fine and imprisonment for each offense.

These regulations have been approved this 13th day of the month of July, 2004 and submitted to the Department of Legislative Reference pursuant of the provision of Section 25-8 (b) of Ordinance No. 04-726.

APPROVED BY THE DIRECTOR OF FINANCE:



Edward J. Gallagher, Deputy Director of Finance

7/13/04
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CITY OF BALTIMORE

MARTIN O'MALLEY, Mayor



DEPARTMENT OF FINANCE

BUREAU OF TREASURY MANAGEMENT
Room 7, Abel Wolman Municipal Building
200 Holliday Street
Baltimore, Maryland 21202

FACT SHEET FOR TELECOMMUNICATIONS TAX

On June 23, 2004 the City of Baltimore enacted a law expanding its local telecommunications tax and changing the structure of the tax from a percentage sales tax on the customer to a flat excise tax on the vendor. The provisions of the law are as follows.

TELECOMMUNICATIONS SERVICE DESCRIPTION

"TELECOMMUNICATIONS LINE" means a wired or wireless connection, identifiable by a unique telephone number, to an exchange, wireless, or other telecommunications service.

"WIRELESS SERVICE" means any mobile telecommunications service, as that term is used in the federal Mobile Telecommunications Sourcing Act. This includes any:

- 1) Cellular Telephone Service;
- 2) Personal Communications Service (PCS);
- 3) Commercial Mobile Radio Service (CMRS); or
- 4) Global System for Mobile Communications (GSM).

"Wireless service" does not include paging services licensed by the Federal Communications Commission under 47 C.F.R., Parts 22 and 90, as in effect on July 1, 2004.

TAX IMPOSED

The tax is levied and imposed on each person who leases, licenses, or sells a telecommunications line to any customer for wired service, whose billing address or fixed service address is in the City; or for wireless service, whose place of primary use, as defined in the federal Mobile Telecommunications Sourcing Act, 4 U.S.C. §§ 116 through 126 (Pub. L. 106-252), is in the City. The tax is applicable to services provided beginning August 1, 2004.

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TAX RATES

Land lines shall be taxed at the current percentage (12%) sales tax rate for services through July 31, 2004. Wireless lines shall not be taxed on any service through July 31, 2004. For service provided beginning on August 1, 2004, the rate of tax imposed is:

- 1) \$3.50 per month or part of a month for every telecommunications line, whether a residence, business, PBX trunk line, or other wired or wireless telecommunications line, except for centrex lines; and
- 2) \$0.35 per month or part of a month for each centrex line.

The tax for the first August billing cycles overlapping August 1, 2004 only should be prorated to reflect the change in tax rates for land lines and the new tax for wireless lines beginning August 1, 2004.

EXEMPTIONS

The tax imposed does not apply to a telecommunications line furnished to a telecommunications "Lifeline Service" customer, as defined by the rules of the Federal Communications Commission and the State Public Service Commission. There are no other exemptions to this tax.

PAYMENT REMITTANCE, DUE DATES AND PENALTIES

As required by law, each vendor shall collect and remit the tax to the Director of Finance **on or before the 25th day of each month**, covering the preceding calendar month. Payments should be sent to City of Baltimore, Collections Division, Miscellaneous Tax/License Unit, 200 North Holliday Street, Baltimore, Maryland 21202. Any tax return received late will be subject to interest at 1% per month or part of a month that the tax is overdue and penalty of 10% of the tax due.

RECORDS RETENTION

Each vendor must keep all pertinent records and documents for the same period that is required for federal tax purposes. Each vendor must make these records available, at all times, during business hours, for inspection and audit by authorized representatives of the City of Baltimore.

Mailing Instructions:

Make payment payable to **Director of Finance**

Send payment with the monthly payment form to:

City of Baltimore
Collections Division
Miscellaneous Tax/License Unit
200 North Holliday Street
Baltimore, Maryland 21202

Contact: Collections Division
410-361-9690

TELECOMMUNICATIONS TAX

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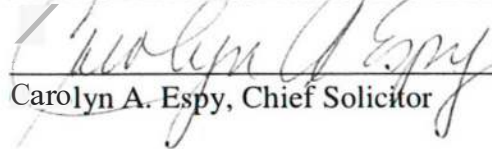
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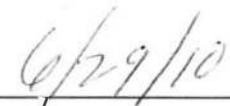
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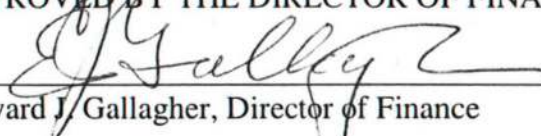


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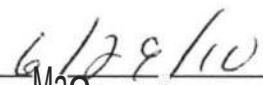


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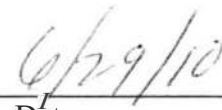
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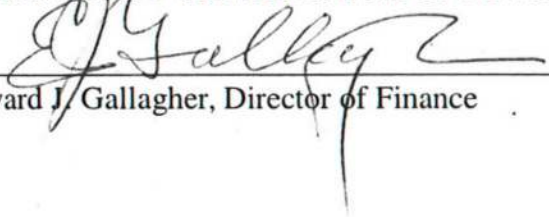


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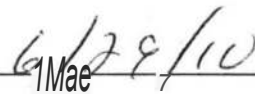


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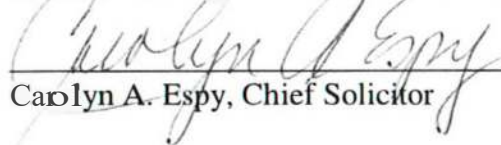
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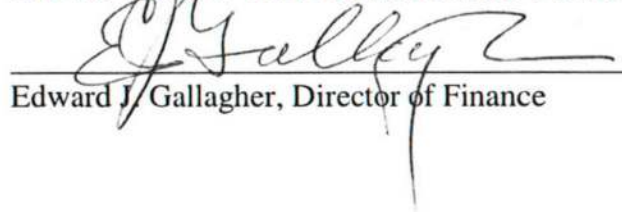


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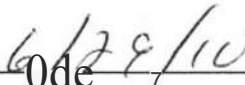


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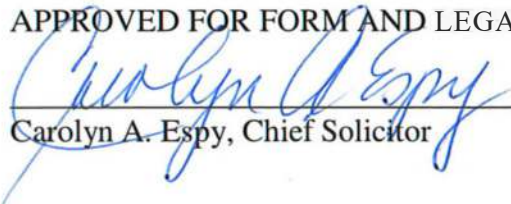
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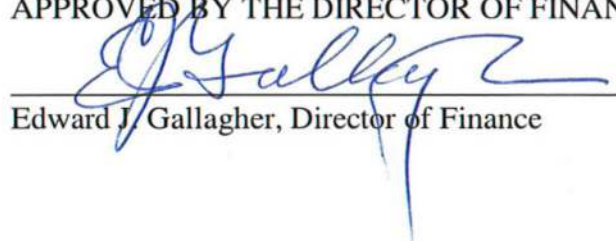


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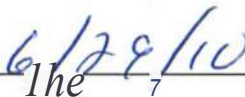


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