



THE PRINCE GEORGE'S COUNTY GOVERNMENT  
OFFICE OF THE COUNTY EXECUTIVE



Rushern L. Baker, III  
County Executive

March 1, 2011

The Honorable Douglas J.J. Peters, Chair  
Prince George's County Senate Delegation  
James Senate Building, Room 121  
11 Bladen Street  
Annapolis, Maryland 21401-19

Dear Chair Peters:

In accordance with Chapter 187 of the 2004 Laws of Maryland (HB 589), enacted during the 2004 Session of the Maryland General Assembly, I am submitting this letter regarding the Telecommunications Tax revenues received in FY 2009 and FY 2010.

Based on House Bill 949 during the 2002 Session of the Maryland General Assembly, the County introduced in FY 2003 (CB-37-2002) an 8% Telecommunications Tax on the gross receipts for telecommunications service in the County. The State mandated that the net proceeds be used only for expenditures of the County's school system. An administrative fee of 1% of collections remitted to the County is shared equally between vendors and the County to cover the cost of collecting and remitting the tax and administering the collection of the tax. Chapter 187 of the 2004 Laws of Maryland (HB 589 in 2004) further authorized the County to utilize up to 10% of the net proceeds from the Telecommunications Tax revenues for school renovation and systemic replacement projects. The tax rate remained at 8% in FY 2009 and FY 2010.

At the beginning of FY 2009, the General Fund designated Telecommunications Tax fund balance was \$1,885,200. Within FY 2009, the County collected a total of \$50,380,000 Telecommunications Tax revenues dedicated to the County's school system.

During FY 2009, the County appropriated \$47,023,400 for school operating expenditures, and \$6,131,800 for school CIP PAYGO and debt service payments. After these payments, the year-end General Fund accumulated balance was a deficit of (\$890,000). (See the chart below for details.)

During FY 2010, the County collected a total of \$45,666,000 in Telecommunications Tax revenues dedicated to the County's school system. During FY 2010, the County appropriated \$44,843,800 for school operating expenditures and \$1,539,100 for school CIP debt service expenses. After these payments, the General Fund accumulated balance was a deficit of (\$1,606,900). (See the chart below for details.)

14741 Governor Oden Bowie Drive, Upper Marlboro, Maryland 20772  
(301) 952-4131 ■ TDD (301) 985-3894



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Rushern L. Baker, III  
County Executive

March 1, 2011

The Honorable Melony G. Griffith, Chair  
Prince George's County House Delegation  
House Office Building, Room 207  
6 Bladen St., Annapolis, MD 21401

Dear Chairwoman Griffith:

In accordance with Chapter 187 of the 2004 Laws of Maryland (HB 589), enacted during the 2004 Session of the Maryland General Assembly, I am submitting this letter regarding the Telecommunications Tax revenues received in FY 2009 and FY 2010.

Based on House Bill 949 during the 2002 Session of the Maryland General Assembly, the County introduced in FY 2003 (CB-37-2002) an 8% Telecommunications Tax on the gross receipts for telecommunications service in the County. The State mandated that the net proceeds be used only for expenditures of the County's school system. An administrative fee of 1% of collections remitted to the County is shared equally between vendors and the County to cover the cost of collecting and remitting the tax and administering the collection of the tax. Chapter 187 of the 2004 Laws of Maryland (HB 589 in 2004) further authorized the County to utilize up to 10% of the net proceeds from the Telecommunications Tax revenues for school renovation and systemic replacement projects. The tax rate remained at 8% in FY 2009 and FY 2010.

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## OFFICE OF THE COUNTY EXECUTIVE



Rushern L. Baker, III  
County Executive

March 1, 2011

Karl S. Aro, Executive Director  
Maryland Department of Legislative Services  
Legislative Services Building,  
90 State Circle, Annapolis, MD 21401

Dear Mr. Aro:

In accordance with Chapter 187 of the 2004 Laws of Maryland (HB 589), enacted during the 2004 Session of the Maryland General Assembly, I am submitting this letter regarding the Telecommunications Tax revenues received in FY 2009 and FY 2010.

Based on House Bill 949 during the 2002 Session of the Maryland General Assembly, the County introduced in FY 2003 (CB-37-2002) an 8% Telecommunications Tax on the gross receipts for telecommunications service in the County. The State mandated that the net proceeds be used only for expenditures of the County's school system. An administrative fee of 1% of collections remitted to the County is shared equally between vendors and the County to cover the cost of collecting and remitting the tax and administering the collection of the tax. Chapter 187 of the 2004 Laws of Maryland (HB 589 in 2004) further authorized the County to utilize up to 10% of the net proceeds from the Telecommunications Tax revenues for school renovation and systemic replacement projects. The tax rate remained at 8% in FY 2009 and FY 2010.

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<b>Telecommunications Tax Net Proceeds for Board of Education</b>				
	<b>FY 2007</b>	<b>FY 2008</b>	<b>FY 2009</b>	<b>FY 2010</b>
<b>Beginning Accumulated Balance</b>	<b>\$0</b>	<b>\$2,830,600</b>	<b>\$1,885,200</b>	<b>(\$890,000)</b>
<b>Actual Collection Dedicated to BOE (Unaudited)</b>	<b>\$55,321,500</b>	<b>\$52,346,800</b>	<b>\$50,380,000</b>	<b>\$45,666,000</b>
<b>Appropriations</b>				
Appropriation for BOE Operation	\$46,958,700	\$45,226,900	\$47,023,400	\$44,843,800
Appropriation for BOE CIP	\$5,532,200	\$5,234,700	\$6,131,800	\$1,539,100
Appropriation for BOE Operation (Use of Prior Year Reserve)	\$0	\$2,830,600	\$0	\$0
<b>Total Appropriations for BOE</b>	<b>\$52,490,900</b>	<b>\$53,292,200</b>	<b>\$53,155,200</b>	<b>\$46,382,900</b>
<b>Ending Accumulated Balance</b>	<b>\$2,830,600</b>	<b>\$1,885,200</b>	<b>(\$890,000)</b>	<b>(\$1,606,900)</b>

If you have any questions, please contact me.

Sincerely,



Rushern L. Baker, III  
County Executive