



# PRINCE GEORGE'S COUNTY GOVERNMENT

## Office of the County Executive

Angela D. Alsobrooks  
County Executive

January 8, 2020

The Honorable Joanne C. Benson, Chair  
Prince George's County Senate Delegation  
James Senate Building, Room 314  
11 Bladen Street  
Annapolis, Maryland 21401-1991

Dear Chair Benson:

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 2019.

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. In FY 2016, the Telecommunication Tax rate was increased to 9%. The Telecommunication Tax rate remained unchanged at 9% in FY 2019.

At the beginning of FY 2019, the General Fund designated Telecommunications Tax fund balance was (\$25,162,900). Within FY 2019, the County collected a total of \$23,552,218 Telecommunications Tax revenues dedicated to the County's school system.

During FY 2019, the County appropriated \$27,834,700 for school operating expenditures and \$2,835,800 for school Capital Improvement Program (CIP) debt service expenses. After these payments, the General Fund accumulated balance was a deficit of (\$32,281,182). (See the chart below for details.)

The Honorable James Carew Rosapepe, Chair


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TELECOMMUNICATIONS TAX NET PROCEEDS FOR BOARD OF EDUCATION					
	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2018</u>	<u>FY 2019</u>
<b>Beginning Accumulated Balance</b>	\$ (11,366,900)	\$ (11,694,000)	\$ (15,019,300)	\$ (18,163,100)	\$ (25,162,900)
<b>Actual Collection Dedicated to BOE</b>	\$ 33,476,700	\$ 33,564,200	\$ 31,587,100	\$ 26,723,300	\$ 23,552,218
Appropriation for BOE Operations	(31,429,700)	(34,383,300)	(32,289,700)	(31,051,400)	(27,834,700)
Appropriation for BOE CIP	(2,374,100)	(2,506,200)	(2,441,200)	(2,671,700)	(2,835,800)
<b>Total Appropriations for BOE</b>	\$ (33,803,800)	\$ (36,889,500)	\$ (34,730,900)	\$ (33,723,100)	\$ (30,670,500)
<b>Ending Accumulated Balance*</b>	<b>\$ (11,694,000)</b>	<b>\$ (15,019,300)</b>	<b>\$ (18,163,100)</b>	<b>\$ (25,162,900)</b>	<b>\$ (32,281,182)</b>

\* Ending Accumulated Balance is for illustrative purposes only. In a fiscal year that actual tax collections exceed the budgeted amount, the County provides a supplemental appropriation to the Board of Education in the following fiscal year. For a year where tax collections are lower than the budgeted amount, the County uses other revenue sources to maintain the total appropriation to the Board of Education.

If you have any questions, please contact me or Stanley A. Earley, Director, Office of Management and Budget at (301) 952-3300.

Sincerely,

  
Angela D. Alsobrooks  
County Executive





# PRINCE GEORGE'S COUNTY GOVERNMENT

## Office of the County Executive

Angela D. Alsobrooks  
County Executive

January 8, 2020

The Honorable Michael A. Jackson, Chair  
Prince George's County House Delegation  
House Office Building, Room 207  
6 Bladen Street  
Annapolis, MD 21401

Dear Chair Jackson:

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 2019.

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. In FY 2016, the Telecommunication Tax rate was increased to 9%. The Telecommunication Tax rate remained unchanged at 9% in FY 2019.

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During FY 2019, the County appropriated \$27,834,700 for school operating expenditures and \$2,835,800 for school Capital Improvement Program (CIP) debt service expenses. After these payments, the General Fund accumulated balance was a deficit of (\$32,281,182). (See the chart below for details.)

TELECOMMUNICATIONS TAX NET PROCEEDS FOR BOARD OF EDUCATION					
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If you have any questions, please contact me or Stanley A. Earley, Director,  
 Office of Management and Budget on (301) 952-3300.

Sincerely,



Angela D. Alsobrooks  
 County Executive





# PRINCE GEORGE'S COUNTY GOVERNMENT

## Office of the County Executive

Angela D. Alsobrooks  
County Executive

January 8, 2020

Victoria L. Gruber, Executive Director  
Maryland Department of Legislative Services  
Legislative Services Building  
90 State Circle  
Annapolis, MD 21401

Dear Ms. Gruber:

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 2019.

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. In FY 2016, the Telecommunication Tax rate was increased to 9%. The Telecommunication Tax rate remained unchanged at 9% in FY 2019.

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