



PRINCE GEORGE'S COUNTY
OFFICE OF THE COUNTY EXECUTIVE

TO: Tara H. Jackson, Chief Administrative Officer

FROM: Stanley A. Earley, Director *SAE*

DATE: January 26, 2022

- For CAO Review
- For CAO Signature
- For County Executive Signature

Type of Material: Letter

Prepared By: David Juppe, Revenue Analyst

Approved By: Stanley Earley, Director

Return To: Belinda Moore

Summary of Request:

Requesting County Executive Alsobrooks signature for the FY 2021 Telecommunications Tax Revenues.

Date Needed:

AGENCY REVIEWS: (please do not leave this section blank)

- Office of Finance Yes N/A
- Office of Law Yes N/A
- Office of Management & Budget Yes N/A
- Office of Central Services Yes N/A

CAO ACTION:

Approved

Not Approved

Date: 1/27/2022



PRINCE GEORGE'S COUNTY GOVERNMENT

Office of the County Executive

Angela D. Alsobrooks
County Executive

December 31, 2021

The Honorable Nick Charles, Chair
Prince George's County House Delegation
House Office Building, Room 207
6 Bladen Street
Annapolis, MD 21401

Dear Chair Charles:

In accordance with Chapter 187 of the 2004 Laws of Maryland (HB 589), I am submitting this letter regarding the Telecommunications Tax revenues received in FY 2021.

Chapter 289 of the 2002 Laws of Maryland (HB 949) required the County, by Ordinance, to impose a sales and use tax on telecommunications service of not less than 5%. In April 2002 the County introduced CB-37-2002 that imposed an 8% tax on the gross receipts for telecommunications service in the County effective June 1, 2002. 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 administering the tax. Chapter 187 further required the County to utilize up to 10% of the net proceeds from the Telecommunications Tax revenues for school renovation and systemic replacement projects. In 2015 the Telecommunication Tax rate was increased to 9% by CB-037-2015, effective July 1, 2015. The tax rate remained unchanged at 9% in FY 2021.

During FY 2021 the County collected a net total of \$17,488,390 Telecommunications Tax revenues dedicated to the County's school system. Of this amount, the County appropriated \$14,758,990 for school operating expenditures and \$2,729,400 for school Capital Improvement Program debt service expenses.

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

December 31, 2021

The Honorable Joanne C. Benson, Chair
Prince George's County Senate Delegation
James Senate Building, Room 214
11 Bladen Street
Annapolis, Maryland 21401-1991

Dear Chair Benson:

In accordance with Chapter 187 of the 2004 Laws of Maryland (HB 589), I am submitting this letter regarding the Telecommunications Tax revenues received in FY 2021.

Chapter 289 of the 2002 Laws of Maryland (HB 949) required the County, by Ordinance, to impose a sales and use tax on telecommunications service of not less than 5%. In April 2002 the County introduced CB-37-2002 that imposed an 8% tax on the gross receipts for telecommunications service in the County effective June 1, 2002. 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 administering the tax. Chapter 187 further required the County to utilize up to 10% of the net proceeds from the Telecommunications Tax revenues for school renovation and systemic replacement projects. In 2015 the Telecommunication Tax rate was increased to 9% by CB-037-2015, effective July 1, 2015. The tax rate remained unchanged at 9% in FY 2021.

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Sincerely,

Angela D. Alsobrooks
County Executive



PRINCE GEORGE'S COUNTY GOVERNMENT

Office of the County Executive

Angela D. Alsobrooks
County Executive

December 31, 2021

Dr. Monica Goldson, Chief Executive Officer
Office of the Chief Executive Officer
Prince George's County Public Schools
Sasscer Administration Building
14201 School Lane
Upper Marlboro, MD 20772

Dear Dr. Goldson:

In accordance with Chapter 187 of the 2004 Laws of Maryland (HB 589), I am submitting this letter regarding the Telecommunications Tax revenues received in FY 2021.

Chapter 289 of the 2002 Laws of Maryland (HB 949) required the County, by Ordinance, to impose a sales and use tax on telecommunications service of not less than 5%. In April 2002 the County introduced CB-37-2002 that imposed an 8% tax on the gross receipts for telecommunications service in the County effective June 1, 2002. 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 administering the tax. Chapter 187 further required the County to utilize up to 10% of the net proceeds from the Telecommunications Tax revenues for school renovation and systemic replacement projects. In 2015 the Telecommunication Tax rate was increased to 9% by CB-037-2015, effective July 1, 2015. The tax rate remained unchanged at 9% in FY 2021.

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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

Bcc: Sarah Albert, Department of Legislative Services
John Erzon