

**QUESTION: If a broader base of revenues is taxed, could overall tax rates be lower, simpler to apply, and more equitable?**

**PROPOSAL: Reach consensus to request that the CTRC staff to provide the following fiscal analysis information (based on currently available data and ability to create reasonable estimates).**

*This information will be useful to help CTRC members develop policy recommendations using data-driven analysis and could also help all interested parties continue to work to develop future legislative proposals after the CTRC Final Report is issued.*

1. [UNIFORM STATE TELECOM TAX RATE] What uniform State sales vs. excise tax rate on telecommunications services (wireless telephone, wireline telephone and ancillary communications services) would be required to replace the following State telecommunications taxes and remain revenue neutral for the State:
  - a. PSC Franchise Tax
  - b. Sales Tax on Ancillary Communications Services
  - c. Sales Tax on Telecommunications Capital Equipment
  - d. Sales Tax on Telecommunications Equipment either Rented or Sold
  - e. State Telecommunications Property Tax
  - f. Sales Tax on Wireless Services
  
2. [UNIFORM STATE COMMUNICATIONS TAX RATE] What uniform State sales vs. excise tax rate on all communications services (wireline and wireless telephone, ancillary communications services, cable and satellite and other video services (e.g., Netflix) would be required to replace the following State telecommunications and video taxes and remain revenue for the State:
  - a. PSC Franchise Tax
  - b. Sales Tax on Ancillary Communications Services
  - c. Sales Tax on All Communications Capital Equipment
  - d. Sales Tax on All Communications Equipment either Rented or Sold
  - e. State Telecommunications Property Tax
  - f. Sales Tax on Wireless Services
  - g. Pay-Per-View Boxing and Wrestling Tax
  - h. Sales Tax on Pay-Per-View Service
  
3. [UNIFORM LOCAL TELECOM TAX RATE] What uniform local sales vs. excise tax rate on telecommunications services (wireless telephone, wireline telephone and ancillary communications services) would be required to replace the following local telecommunications taxes and remain revenue neutral for local governments:
  - a. Local Tax on Telecommunications Services (wireless and wireline)
  - b. Local Telecommunications Property Tax
  
4. [UNIFORM LOCAL COMMUNICATIONS TAX RATE] What uniform local sales vs. excise tax rate on all communications services (wireline and wireless telephone, ancillary communications services, cable and satellite and other video services) would be required to replace the following local communications taxes remain and remain revenue neutral for local governments:
  - a. Local Tax on Telecommunications Services (wireless and wireline)
  - b. Local Telecommunications Property Tax

5. [UNIFORM LOCAL TAX RATE IF ONLY COLLECTED BY 5 COUNTIES] For questions 3 and 4, what local sales vs. excise tax rate would be required if the uniform local tax on telecommunications or communications services was levied only by the 5 counties that now charge telecommunications taxes?
6. [GROSS REVENUES BY INDUSTRY] What was the total amount of gross revenues earned by communications companies in Maryland in FY12 for the following industry categories:
  - a. Telecommunication services – wireline
  - b. Telecommunication services – wireless
  - c. Ancillary Services
  - d. Communications Equipment either Rented or Sold (please break out between telecommunications, cable, broadband equipment if available)
  - e. Cable Television
  - f. Satellite Television
  - g. Other Video Services
  - h. Broadband services – wireline
  - i. Broadband services – wireless
7. [GROSS REVENUES BY JURISDICTION] For Question 6, is there a way to break out these industry revenue categories by County?
8. [TOTAL REVENUES SUBJECT TO CURRENT LOCAL TAXATION] For each category below what is the total amount of, and what is the percentage of, telecommunications revenue earned in Maryland that is subject to local taxation?
  - a. Telecommunication services – wireline
  - b. Telecommunication services – wireless
  - c. Ancillary Services
  - d. Communications Equipment either Rented or Sold
  - e. Capital Equipment
  - f. Other Video Services
9. [TOTAL CABLE REVENUES SUBJECT TO CURRENT LOCAL FRANCHISE FEES] What is the total cable service revenue in Maryland and what percentage is subject to local franchise fees?
10. [UNIFORM COMMUNICATIONS FRANCHISE FEE] If all counties and municipalities currently charging right-of-way franchise fees for cable providers' use of rights-of-way were to charge the same current franchise fee rates for cable, telecommunications, and broadband providers' use of the public rights-of-way, what would be the total franchise fees for:
  - a. Cable
  - b. Telecommunications
  - c. Broadband

*Certain questions above ask the CTRC to provide sales versus excise tax rates on the basis that excise taxes are levied on the service provider, whereas sales taxes are levied on the consumer of the service. As pointed out in CTRC staff reports, federal, state and local governments typically are not subject to sales taxes. Thus, sales tax rates may need to be higher than excise tax rates to produce the same tax yield.*