

CTRC MAY 16, 2013 MEETING: PRESENTATION BULLET POINTS

WIRELESS INDUSTRY PROPOSALS DO NOT APPEAR TO MEET MACo/MML PRINCIPLES (1 presentation)

1. Local government's revenues are negatively affected.
2. Proposed reforms will not capture shifts in use of technology over time, especially growth in broadband usage, without additional statutory amendments.
3. Proposed reforms do not retain local options not to impose communications taxes and local collection of communications taxes.
4. Wireless Proposal #1 does not preserve the distinction between fees for right-of-way use and general taxes, nor preserve local authority to franchise and manage use of public right-of-way.
5. Wireless Proposal #1 does not treat video service providers equitably, and neither proposal treats right-of-way users or substitutable services equitably.
6. Neither proposal offers a target tax policy that incentivizes broadband investment and deployment.

ADDITIONAL USEFUL INFORMATION SHOULD BE INCLUDED IN FINAL CTRC REPORT (split into 2 presentations)

1. Final CTRC Report should include complete copies of Local Government Principles and Industry Proposals.
2. Information Request Results and Communications Tax Structure staff reports should provide a means for Commission members to provide correction or clarifications.
3. Final CTRC Report should include analysis of whether any proposal meet the principles put forward by in the December proposals offered by local governments, the satellite industry, and the wireless industry, as well as any other principles generally agreed upon by the CTRC.
4. Final CTRC Report should include an estimate of all FY12 gross revenues earned by industry. This information would be helpful to analyze the impact of any future legislative initiative.
5. Final CTRC Report should include data sets for local government communications revenue display in chart in Appendix 5. This information would be helpful to analyze the impact of any future legislative initiative.

SUGGESTED REPORT RECOMMENDATIONS (1 presentation)

The Final CTRC should suggest the following recommended future actions:

1. Request CTRC staff to gather additional information regarding the gross revenues earned by the broadband industry in Maryland.
2. Request further analysis by CTRC staff about the impact of exempting federal "Lifeline" and other low income service programs from state taxation.
3. Request legislative authority for CTRC staff gather information regarding the gross revenues earned in FY11, FY12, and FY13 so that revenue trends can be created to help with future fiscal impact analysis of legislative proposals.
4. Request legal analysis of changes necessary under State law to enable municipal and county taxation and/or franchising of communications services.