



Angela D. Alsobrooks
County Executive

PRINCE GEORGE'S COUNTY GOVERNMENT

Office of the County Executive

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

Dear Dr. Goldson:

In accordance with Section 20-605 of the Local Government Article of the Maryland Code, I hereby submit the following report concerning Telecommunications Tax revenues received by Prince George's County in FY 2021.

Section 20-605 of the Local Government Article of the Maryland Code requires the County, by ordinance, to impose a sales and use tax on telecommunications service at a rate of not less than 5%. The State law further mandates that the net proceeds of the revenue from this tax may only be used for expenditures of the County's school system, with at least 90% of the proceeds directed to operating expenses and the remainder directed to school renovation and systemic replacement projects. 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.

In April 2002, the County enacted CB-37-2002, which imposed an 8% tax on the gross receipts for telecommunications services in the County with an effective date of June 1, 2002. In 2015, the tax rate was increased to 9% through CB-037-2015, which took effect on July 1, 2015. The tax rate remained unchanged at 9% as of the close of FY 2021.

During FY 2021, the County collected a net total of \$17,488,390 in Telecommunications Tax revenues. 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.

Thank you for the opportunity to share this information. If you have any questions, please contact Stanley A. Earley, Director, Office of Management and Budget on (301) 952-3300.

Sincerely,

Angela D. Alsobrooks
County Executive