

Telecommunications Tax

FY 2025

Local Government Article Section 20-605



PRINCE GEORGE'S COUNTY GOVERNMENT

OFFICE OF THE COUNTY EXECUTIVE

Aisha N. Braveboy
County Executive

December 31, 2025

The Honorable Ron Watson, Acting Chair
Prince George's County Senate Delegation
121 James Senate Office Building
11 Bladen Street
Annapolis, Maryland 21401-1991

The Honorable Nicole A. Williams, Chair
Prince George's County House Delegation
House Office Building, Room 207
6 Bladen Street
Annapolis, Maryland 21401

Superintendent Dr. Shawn Joseph
Prince George's County Public Schools
Sasscer Administration Building
14201 School Lane
Upper Marlboro, Maryland 20772

Dear Chairs Jackson and Williams, and Superintendent Joseph:

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 2025.

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% or an excise tax at a rate not exceeding \$3.50 per line per month for each telephone line. 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. Vendors are authorized to retain 0.5% of collections 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 2025. During FY 2025, the County collected a net total of \$14,431,081 in Telecommunications Tax revenues. Of this amount, at least 90%, or \$12,987,973 is required to be allocated for school operating expenditures. This leaves, \$1,443,108 for school Capital Improvement Program debt service expenses.

The Honorable Ron Watson, Acting Chair
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Superintendent Dr. Shawn Joseph
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Thank you for the opportunity to share this information. If you have any questions, please contact Angela Fair Baker, Acting Director, Office of Management and Budget on (301) 952-3300.

Sincerely,

A handwritten signature in blue ink that reads "Aisha Braveboy". The signature is fluid and cursive, with the first name "Aisha" and last name "Braveboy" clearly legible.

Aisha N. Braveboy
County Executive

ANB/dbj