

# SENATE BILL 945

Q4

EMERGENCY BILL

9lr2902  
CF HB 809

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By: **Senator Kramer**

Introduced and read first time: February 15, 2019

Assigned to: Rules

Re-referred to: Budget and Taxation, February 22, 2019

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Committee Report: Favorable

Senate action: Adopted

Read second time: March 24, 2019

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## CHAPTER \_\_\_\_\_

1 AN ACT concerning

2 **Sales and Use Tax – Taxable Services – Telephone Answering Service**

3 FOR the purpose of defining “telephone answering service” for the purpose of establishing  
4 that the service is taxable under the sales and use tax only if the service is provided  
5 in a certain manner; establishing that a telephone answering service is not a taxable  
6 service if certain acts are only incidental to and a certain percentage of certain gross  
7 receipts; making this Act an emergency measure; and generally relating to the sales  
8 and use tax.

9 BY repealing and reenacting, without amendments,  
10 Article – Tax – General  
11 Section 11–101(a) and (m)(7)  
12 Annotated Code of Maryland  
13 (2016 Replacement Volume and 2018 Supplement)

14 BY adding to  
15 Article – Tax – General  
16 Section 11–101(m–1)  
17 Annotated Code of Maryland  
18 (2016 Replacement Volume and 2018 Supplement)

19 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,  
20 That the Laws of Maryland read as follows:

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**EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.**

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1 **Article – Tax – General**

2 11–101.

3 (a) In this title the following words have the meanings indicated.

4 (m) “Taxable service” means:

5 (7) a telephone answering service;

6 **(M–1) (1) “TELEPHONE ANSWERING SERVICE” MEANS A SERVICE PROVIDED**  
7 **TO A CUSTOMER THAT CONSISTS EXCLUSIVELY OF THE TAKING OF MESSAGES,**  
8 **EITHER BY AN AUTOMATED SYSTEM OR BY A LIVE OPERATOR, AND TRANSMITTING**  
9 **THE MESSAGES TO THE CUSTOMER.**

10 **(2) “TELEPHONE ANSWERING SERVICE” DOES NOT INCLUDE THE**  
11 **PHYSICAL ACT OF ANSWERING A TELEPHONE ON BEHALF OF A CUSTOMER, IF THE**  
12 **ACT IS INCIDENTAL TO AND LESS THAN 5% OF THE SERVICE PROVIDER’S TOTAL**  
13 **GROSS RECEIPTS IN A CALENDAR YEAR.**

14 SECTION 2. AND BE IT FURTHER ENACTED, That this Act is an emergency  
15 measure, is necessary for the immediate preservation of the public health or safety, has  
16 been passed by a yea and nay vote supported by three–fifths of all the members elected to  
17 each of the two Houses of the General Assembly, and shall take effect from the date it is  
18 enacted.

Approved:

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Governor.

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President of the Senate.

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Speaker of the House of Delegates.