
TELEPHONE TAX INFORMATION

Revised July 1, 2019

1) TELEPHONE TAX IN GENERAL

Section 52-15 of the Montgomery County Code, as amended, requires

A person who owns a telephone line for the reception, transmission or communication of messages by telephone, or leases, licenses, or sells telephonic communication in the County must pay a tax on the following services furnished to customers with a billing address or fixed service address in the County:

- (a) centrex access lines including centrex local exchange access lines or trunk lines;
- (b) access or trunk lines, including each residence, business or PBX local exchange access lines or trunk lines;
- (c) voice over internet protocol (VOIP) service; and
- (d) wireless telephone lines.

Line means a connection to the local telephone exchange through a unique telephone number.

Wireless telephone means any equipment or instrument that transmits: 1) cellular telephone service; 2) prepaid wireless line service; 3) personal communication service; or 4) any other commercial mobile radio service as defined by the Federal Communications Commission (FCC).

2) ACCOUNT NUMBERS AND QUESTIONS

To obtain an application for a new account or to answer any questions, contact the Division of Treasury, Excise Tax Unit, 27 Courthouse Square, Suite 200, Rockville, Maryland 20850.
Phone: 240-777-0311 Email: excisetax@montgomerycountymd.gov

3) SCHEDULED DUE DATES

Monthly returns must be received **ON OR BEFORE** the 15th of each month, covering the immediate preceding month. Upon written application to, and with the consent of, the Director of Finance, the following schedule may be adopted for filing quarterly returns.

<u>For Months Of</u>	<u>Return Due ON OR BEFORE</u>
January, February, March	April 15th
April, May, June	July 15th
July, August, September	October 15th
October, November, December	January 15th

4) INTEREST AND PENALTIES

Avoid interest and penalties by filing correct returns on time and by paying the correct tax due with the return. The law provides a penalty of 5% of the amount of the tax per month or part of a month not to exceed 25% of the tax, and interest at the rate of 1% per month or part of a month for late filing of returns or for failure to make timely remittance of tax due. Penalties are also imposed by law for making false statements and for willful failure to pay, keep records or file returns.

5) RECORDS

Copies of tax returns and supporting documents should be maintained at your place of business or other convenient location for a period of at least three (3) years from date of tax return. Such records should be available and open to inspection by the Director of Finance or authorized representative.

6) EXEMPTIONS FROM TAX

The telephone tax shall not be imposed upon any telephone lifeline service access lines.

7) NO EXEMPTION FROM TAX

The telephone tax is imposed on the provider of the telephone service. Therefore, no exemption is granted for service provided to Federal, State, County, Municipal or Non-Profit organizations.

8) RATE OF TAX - EFFECTIVE DATE & TIME:

12:00 am, July 1, 2019

The Montgomery County Council may amend the rates for certain services subject to the County Telephone Tax.

9) CONFIDENTIALITY

Individual taxpayer information provided on the return is confidential and is not shared with other entities.