

TELEPHONE TAX INFORMATION

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.
- (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 for telephone tax related questions, contact the Division of Treasury, Excise Tax Unit, 255 Rockville Pike, Suite L-15, Rockville, Maryland 20850, Telephone (240) 777-8994.

3) SCHEDULED DUE DATES

Monthly returns must be filed 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 quarterly schedule may be adopted for filing returns.

For months of:

January, February, March
April, May, June
July, August, September
October, November, December

Returns due on or before:

April 15th
July 15th
October 15th
January 15th

When using the above schedule for filing, **a return for each month must be completed.**

4) INTEREST AND PENALTIES

Avoid penalties and interest by filing correct returns on time and by paying the correct tax due with your tax return. The law provides for 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 fraction of a month for late filing of returns or for failure to make timely remittances 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 your returns and all records and information in support of all returns, should be maintained at your principal place of business or other convenient location for a period of at least two (2) years from the date of the tax return. Such records should be available and open to inspection by the Director of Finance or an authorized representative.

6) EXEMPTIONS FROM TAX

The telephone tax shall not be imposed upon any landline 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 July 1, 2010)

The Montgomery County Council by Resolution 16-1355, effective after 12:01 a.m., July 1, 2010, amended the rates for certain services subject to the County Telephone Tax.

9) CONFIDENTIALLY

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