



THE PRINCE GEORGE'S COUNTY GOVERNMENT
OFFICE OF THE COUNTY EXECUTIVE

Tara H. Jackson
Acting County Executive

February 13, 2025

The Honorable Jolene Ivey
Chair
Prince George's County Council
Wayne K. Curry County Administration Building
1301 McCormick Drive
Largo, Maryland 20774

Dear Chair Ivey:

Enclosed for the County Council's consideration is a Bill required pursuant to State law which requires the County to impose either a sales tax of at least five percent (5%) on telecommunications or a \$3.50 per month per line excise tax on telecommunications.

A sales tax of eight percent (8%) on telecommunications has been in effect since FY 2003 and was increased to nine percent (9%) in 2015. While the revenue from the sales tax originally approximated \$50 million a year for several years, changes in technology and communication trends caused the revenue to erode. Use of texting and emails, Internet-based calling and other changes were not anticipated by the original legislation. By FY 2024 the revenue had decreased to \$13.5 million. This legislation will enact an excise tax, similar to Montgomery County and Baltimore City, which provides a more stable level of annual revenue like the 9-1-1 surcharge. All revenue will continue to be dedicated to the County's share of K-12 education funding.

The Council's favorable consideration of this legislation is requested. If you have any questions, please contact my office or Stanley A. Earley, Director, Office of Management and Budget, at (301) 952-3218.

Sincerely,

A handwritten signature in blue ink that reads "Tara H. Jackson".

Tara H. Jackson
Acting County Executive

Enclosure