

HCS HB 165 -- 2007 MUNICIPAL TELECOMMUNICATIONS BUSINESS LICENSE
TAX SIMPLIFICATION ACT (Cooper, 120)

COMMITTEE OF ORIGIN: Ways and Means

This substitute establishes the 2007 Municipal Telecommunications Business License Tax Simplification Act and changes the laws regarding the telecommunications business license tax. The substitute limits a business license flat tax amount to \$27,500 or less. After July 1, 2008, any municipality may impose this tax on a telecommunications company for the privilege of doing business within its borders if the municipality amends its business license tax ordinance to include the new tax rate, tax base definitions, and provisions.

The maximum rate of the gross receipts percentage for any municipality is 5% unless the actual calculated rate is greater than 5%. If the calculated rate is greater than 5%, the maximum rate of the gross receipts percentage for the municipality is adjusted to be revenue neutral based on revenues collected and forecasted for July 1, 2008, to June 30, 2009; half of the difference between the determined rate and 5% for July 1, 2009, to June 30, 2010; and 5% for July 1, 2010, and thereafter.

If a telecommunications company pays its deemed past liability to a municipality by January 1, 2008, it is entitled to full immunity and any pending lawsuits with respect to all periods up to and including July 1, 2008, will be dismissed.

FISCAL NOTE: No impact on state funds in FY 2008, FY 2009, and FY 2010.