



STATE OF CONNECTICUT
DEPARTMENT OF REVENUE SERVICES

SN 2012(7)

25 Sigourney Street Ste 2
Hartford CT 06106-5032

SPECIAL NOTICE

Prepaid Wireless E 9-1-1 Fee

Purpose: This Special Notice describes the responsibilities of retailers of prepaid wireless telecommunications service to collect the Prepaid Wireless E 9-1-1 Fee. Legislation passed in 2012 imposed the requirement to collect this fee on retailers selling this service.

Effective Date: Effective for transactions occurring on and after January 1, 2013.

Statutory Authority: 2012 Conn. Pub. Acts 153.

Prepaid Wireless E 9-1-1 Fee Assessment: Legislation passed in 2012 levies a Prepaid Wireless E 9-1-1 Fee on each sale of prepaid wireless telecommunications service by a retailer. The fee is equal to the monthly fee the Connecticut Public Utility Regulatory Authority (PURA) assesses on other telecommunications service subscribers, which presently is \$0.67. The fee is recalculated by PURA annually.

Prepaid wireless telecommunications service means a wireless telephone service that a consumer pays for in advance, that allows the consumer to access the E 9-1-1 system by dialing 9-1-1, and that is sold in predetermined units or dollars that decline with use.

Prepaid wireless telecommunications includes prepaid wireless phone cards, recharge or refill authorization codes, and prepaid cell phones or other prepaid wireless devices preloaded with airtime minutes. Prepaid wireless telecommunications service **does not** include wireless telecommunications services that are not paid for in advance.

Example 1: A retailer sells a consumer a card that provides 200 minutes of prepaid wireless telecommunications service. The retailer collects the Prepaid Wireless E 9-1-1 Fee of \$0.67 and remits the fee to the Department of Revenue Services (DRS).

Example 2: A retailer sells a consumer a calling card that provides 200 minutes of landline communications service. The purchase is not subject to the Prepaid Wireless E 9-1-1 Fee and the retailer would not collect the Prepaid Wireless E 9-1-1 Fee of \$0.67.

Example 3: A retailer sells a consumer a cell phone that comes loaded with 200 minutes of prepaid wireless telecommunications service. The retailer collects the Prepaid Wireless E 9-1-1 Fee of \$0.67 and remits the fee to DRS.

Example 4: A retailer sells a consumer a cell phone with no units or minutes of prepaid wireless telecommunications service included. Because there is no purchase of prepaid wireless telecommunications service, the purchase of the cell phone is not subject to the Prepaid Wireless E 9-1-1 Fee and the retailer would not collect the Prepaid Wireless E 9-1-1 Fee of \$0.67.

Example 5: A retailer sells a consumer a cell phone with unlimited wireless telecommunications service that is paid for in advance of use. Because the wireless service is unlimited but paid for in advance of use, the retailer collects the Prepaid Wireless E 9-1-1 Fee of \$0.67 and remits the fee to DRS.

Collecting Prepaid Wireless E 9-1-1 Fees: Retailers must collect the Prepaid Wireless E 9-1-1 Fee on each retail sale of prepaid wireless telecommunications service occurring in Connecticut on or after January 1, 2013. A retail sale subject to the Prepaid Wireless E 9-1-1 Fee occurs in this state if the retail transaction is subject to Connecticut sales tax. A sale is considered subject to Connecticut sales tax and the Prepaid Wireless E 9-1-1 Fee if:

- The purchase is made at a Connecticut retailer's place of business;
- The prepaid telephone calling service purchased is shipped to a Connecticut address;

- If no item is shipped, the customer's billing address is in Connecticut; **or**
- The location associated with the customer's mobile telephone number is in Connecticut.

Each item of prepaid wireless telecommunications service sold is subject to the fee:

Example 6: A consumer purchases three prepaid phone cards. The retailer must collect Prepaid Wireless E 9-1-1 Fees from the consumer on each card, or \$2.01 (\$0.67 for each prepaid phone card).

Example 7: A consumer purchases two prepaid phone cards in a "two-for-one" deal. The retailer must collect the Prepaid Wireless E 9-1-1 Fee on each of the two cards, or \$1.34 (\$0.67 for each prepaid phone card).

Retailers must separately state the Prepaid Wireless E 9-1-1 Fee on the invoice, receipt, or other sales document given to the purchaser, or post such amount conspicuously on the retailer's Internet website or on a sign conspicuously displayed to the consumer at the point of sale.

Separately stated Prepaid Wireless E 9-1-1 Fees are not included in the sales price subject to sales and use tax.

Example 8: A customer purchases a prepaid wireless phone card for 500 minutes at a Connecticut retailer's store for \$15.00. If the retailer does not conspicuously display the notice of the Prepaid Wireless E 9-1-1 Fee as described above, the receipt would be itemized as follows:

Price of card:	\$15.00
+ Sales Tax (6.35% x \$15.00):	\$ 0.95
+ Prepaid Wireless E 9-1-1 Fee:	\$ 0.67
Total:	\$16.62

A retailer failing to separately state the Prepaid Wireless E 9-1-1 Fee on the invoice, receipt or other similar document given to the purchaser is liable for the fee.

Wholesale Sales of Prepaid Wireless Telecommunications Service: A retail transaction includes any purchase of prepaid wireless telecommunications service from a seller for any purpose other than resale. Retailers maintaining resale certificates for sales tax purposes are not required to obtain additional documents for purposes of documenting purchases for resale with regard to the Prepaid Wireless E 9-1-1 Fee.

Registration of Businesses That Sell Prepaid Wireless Telecommunications Service:

Businesses already registered with DRS to collect and remit the sales and use tax do not have to register again for the E 9-1-1 fee. They will be registered for the fee when they file their first **Form OP-153, Prepaid Wireless E 9-1-1 Fee Return.**

New businesses not registered for sales and use tax with DRS must file a **Form REG-1, Business Tax Registration Application,** for both the E 9-1-1 fee and sales tax.

Visit www.ct.gov/TSC to register electronically using the **DRS Taxpayer Service Center (TSC).**

Reporting Prepaid Wireless E 9-1-1 Fees:

Retailers must use **Form OP-153** to report and remit the Prepaid Wireless E 9-1-1 Fee to DRS. **Form OP-153** is available on the DRS website. Taxpayers are encouraged to file **Form OP-153** and remit the fees electronically through the **TSC.**

Retailers collecting the Prepaid Wireless E 9-1-1 Fee will follow the same filing and payment procedures in place for the sales and use tax except annual filers must file OP-153 quarterly. Monthly sales and use tax filers that collect the Prepaid Wireless E 9-1-1 Fee will report and pay the fee each month. All quarterly sales tax filers that collect the Prepaid Wireless E 9-1-1 Fee will report and pay the fee on a quarterly basis. Seasonal and four-week sales tax filers that collect the Prepaid Wireless E 9-1-1 Fee will report and pay the fee at the same time they file their sales tax return. A retailer that files a consolidated sales tax return may file a consolidated **Form OP-153.**

Retailers May Retain a 1% Administrative Fee:

Retailers may retain 1% of the Prepaid Wireless E 9-1-1 Fees they collect. Retailers must use **Form OP-153** to calculate the 1% administrative fee.

Effect on Other Documents: None affected.

Effect of This Document: A Special Notice announces a new policy or practice in response to changes in state or federal laws or regulations or to judicial decisions. A Special Notice indicates an informal interpretation of Connecticut tax law by the Department of Revenue Services (DRS).

For Further Information: Call DRS during business hours, Monday through Friday:

- **1-800-382-9463** (Connecticut calls outside the Greater Hartford calling area only); **or**
- **860-297-5962** (from anywhere).

TTY, TDD, and Text Telephone users only may transmit inquiries anytime by calling 860-297-4911.

Forms and Publications: Visit the DRS website at www.ct.gov/TSC to download and print Connecticut tax forms and publications.

Paperless Filing/Payment Methods (fast, easy, free, and confidential): Business and individual taxpayers can use the **Taxpayer Service Center (TSC)** at www.ct.gov/TSC to file a variety of tax returns, update account information, and make payments online.

File Electronically: You can choose first-time filer information and filing assistance or log directly into the *TSC* to file returns and pay taxes.

Pay Electronically: You can pay taxes for tax returns that cannot be filed through the *TSC*. Log in and select the *Make Payment Only* option. Designate a payment date up to the due date of the tax and mail a paper return to complete the filing process.

DRS E-Alerts Service: Get connected to the latest news from DRS. Receive notification by email of changes to legislation, policies, and procedures.

DRS E-Alerts provide information for employer's withholding tax, News – Press Releases, and Top 100 Delinquency List. Visit the DRS website at www.ct.gov/DRS and select *e-alerts* from the left navigation bar.

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