



STATE OF CONNECTICUT DEPARTMENT OF REVENUE SERVICES

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SN 2022(1)
SPECIAL NOTICE

Change to the Prepaid Wireless E 9-1-1 Fee

Purpose: This publication announces the Prepaid Wireless E 9-1-1 Fee that will take effect July 1, 2022. In addition, this publication explains that the General Assembly has expanded those sellers who are required to charge, collect, and remit the Prepaid Wireless E 9-1-1 Fee.

Effective Date: Effective for transactions occurring on and after July 1, 2022.

Statutory Authority: Conn. Gen. Stat. §§ 28-30a, 28-30b, 28-30d, 28-30e, and 28-30f.

Prepaid Wireless E 9-1-1 Fee Assessment: Beginning on or after July 1, 2022, the Prepaid Wireless E 9-1-1 Fee is \$0.70.

Each June, the Connecticut Public Utility Regulatory Authority (PURA) assesses a fee on telecommunications service subscribers, which also applies to prepaid wireless communications service.

Prepaid wireless telecommunications service is a wireless telephone service that a consumer pays for in advance, allows access to the E 9-1-1 system by dialing 9-1-1, and is sold in predetermined units or dollars that decline with use (sometimes called *no contract plans*).

Prepaid wireless telecommunications service 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 **only** includes wireless telecommunications services paid for in advance.

Prepaid wireless telecommunications service **does not** include *calling cards*, which are a prepaid method of making a long distance call where the card is used by calling a toll-free or local access number, entering a personal identification number (PIN), then entering the telephone number of the person to be called. Calling cards can be used from a landline telephone or from a wireless telephone (for example, in order to avoid roaming charges of the wireless telecommunications provider).

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 \$0.70 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 long distance 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 \$0.70.

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 \$0.70 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 \$0.70.

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, the retailer collects the Prepaid Wireless E 9-1-1 Fee of \$0.70 and remits the fee to DRS.

Marketplace Facilitators: Effective July 1, 2022, marketplace facilitators are required to begin collecting and remitting the E 9-1-1 Fee.

Wholesale Sales of Prepaid Wireless Telecommunications Service: A retail transaction **does not** include the purchase of prepaid wireless telecommunications service from a retailer for resale by the purchaser. 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.

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Sales and Use Tax Exemptions Do Not Apply:

The exemptions from sales and use taxes listed in Conn. Gen. Stat. § 12-412 **do not** apply to the Prepaid Wireless E 9-1-1 Fee. The Prepaid Wireless E 9-1-1 Fee **must** be charged on sales to charitable and religious organizations and governmental entities.

Effect on Other Documents: Special Notice 2021(1), *Change to the Prepaid Wireless E 9-1-1 Fee*, is modified and superseded.

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 DRS.

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Sales and Use Taxes
Prepaid Telephone Calling Service
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E-Services Update

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