

76TH OREGON LEGISLATIVE ASSEMBLY
STAFF MEASURE SUMMARY
HOUSE REVENUE COMMITTEE

MEASURE: HB2075
CARRIER:

REVENUE:
FISCAL: ?

PRELIMINARY

Action:
Vote:

Yeas:
Nays:
Exc.:

MEASURE: HB 2075
EXHIBIT: F
HOUSE REVENUE COMMITTEE
DATE: 2/14/2011 PAGES: 1
SUBMITTED BY: MAZEN MALIK

Prepared By: Mazen Malik, Economist
Meeting Dates: Feb-14

WHAT THE BILL DOES: Establishes alternative methods for telecommunications provider to satisfy requirement to collect and remit tax on customer access to 9-1-1 emergency reporting system from prepaid telecommunications service customers.

ISSUES DISCUSSED:

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EFFECT OF COMMITTEE AMENDMENTS:

BACKGROUND:

The 911 tax was established in 1981 as a 3% of Access Charge. In 1991 it became a 5% temporary Access Charge. In 1995 it became a \$0.75 per Month charge per circuit which includes cell phones. The tax generates about \$40 million a year for the use by 911 services and enhanced 911 services. In the 2007 session the tax sunset was extended to 2014. The Customer is liable for the tax but collected by providers (utilities). The measure defines the prepaid services and Voice Over Internet (VOIP) as subject to the tax.

The provider is to collect on monthly basis, and if the provider cannot determine with reasonable specificity the number of prepaid telecommunications service customers that are authorized to access the service, the provider shall determine, on a monthly basis, the number of prepaid telecommunications service customers by **dividing** the provider's total intrastate monthly income from prepaid telecommunications service customers by the average income from each prepaid telecommunications service customer of the national prepaid telecommunications service industry and multiply the calculated number of prepaid telecommunications service customers by the amount of the tax.

State Capitol Building
900 Court St NE, Room 143
Salem, OR 97301-1347

Phone: 503-986-1266
Fax: 503-986-1770
<http://www.leg.state.or.us>