**REVENUE:** Issued

FISCAL: Issued

Action: Vote:

> Yeas: Nays: Exc.:

Prepared By: Mazen Malik, EconomistMeeting Dates:03/14, 03/15, 07/07

WHAT THE BILL DOES Enhances enforcement of the 911 tax by DOR

## **ISSUES DISCUSSED:**

- The background of the tax and what functions it funds.
- Different ways and difficulties of the 911 Response Centers.
- Collections and the different methods of paying the tax.
- Incidence of the tax, who collects and equity.
- The level of compliance and the ability to do it and enforce it.
- Revenue impacts of the enhanced enforcement.
- Role of the Department of Revenue.

**EFFECT OF COMMITTEE AMENDMENTS:** The "-3" Adds enforcement language for DOR to administer the tax emphasizing the providers of prepaid wireless and VOIP. Introduces reporting requirements and schedules, and allocates additional 0.25% of revenue collected to DOR for enforcement and administration.

## **BACKGROUND:**

There is presently a 75 cent per month tax on every subscriber who has telecommunication services with access to the 9-1-1 emergency reporting system. This tax is collected by the service provider from the subscriber. The program collects about \$39 million a year, but is set to expire on January 1, 2014.

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