

2018 First Extraordinary Session

HOUSE BILL NO. 28

BY REPRESENTATIVE SMITH

TAX: Increases the tax on certain telecommunication devices and services and levies a tax on prepaid mobile devices and prepaid mobile device cards (Item #10)

1 AN ACT

2 To amend and reenact R.S. 47:1061(A)(1) and (2), relative to telecommunication taxes; to
3 levy a tax on certain mobile devices and mobile device cards; to provide for
4 collection and remittance of the tax; to provide for an effective date; and to provide
5 for related matters.

6 Be it enacted by the Legislature of Louisiana:

7 Section 1. R.S. 47:1061(A)(1) and (2) are hereby amended and reenacted to read as
8 follows:

9 §1061. Telecommunication tax for the deaf

10 A.(1)(a) There is hereby levied a tax of four and one-half cents per month
11 to be assessed per line for each wireline access line and per telephone number for
12 each wireless handset device on each residential and business customer of a local or
13 wireless telecommunication service company operating in Louisiana. The tax shall
14 be collected from each residential and business customer and remitted by each such
15 company on or before thirty days after the close of each calendar quarter to the
16 secretary of the Department of Revenue on forms prescribed by the secretary. The
17 tax provided for in this Paragraph shall not apply to wireless devices used only for
18 data purposes ~~or to prepaid wireless devices.~~

19 (b)(i) In addition to any other taxes or fees on purchases of a prepaid mobile
20 device or a prepaid mobile device card, there is hereby levied a tax on prepaid
21 mobile devices and prepaid mobile device cards. The amount of the tax shall be as
22 follows:

1 (aa) For purchases of a prepaid mobile device or a prepaid mobile device
2 card that equal less than ten dollars, the amount of the tax levied pursuant to the
3 provisions of this Subparagraph shall equal fifty cents per retail transaction.

4 (bb) For purchases of a prepaid mobile device or a prepaid mobile device
5 card that equal at least ten dollars but less than twenty dollars, the amount of the tax
6 levied pursuant to the provisions of this Subparagraph shall equal one dollar per
7 retail transaction.

8 (cc) For purchases of a prepaid mobile device or a prepaid mobile device
9 card that equal more than twenty dollars, the amount of the tax levied pursuant to the
10 provisions of this Subparagraph shall equal two dollars per retail transaction.

11 (ii) The seller of prepaid mobile devices or prepaid mobile device cards shall
12 be required to collect the tax levied pursuant to the provisions of this Subparagraph
13 from each purchaser of a prepaid mobile device or a prepaid mobile device card
14 occurring in this state and to remit the tax in accordance with the requirements of
15 Subsection A of this Section. The amount of the tax shall be either separately stated
16 on an invoice, receipt, or other similar document that is provided to the consumer by
17 the seller, or otherwise disclosed to the consumer.

18 (2) The local or wireless telecommunication service company or the seller
19 of prepaid mobile devices or prepaid mobile device cards which are collecting and
20 remitting such the tax as hereinabove provided levied pursuant to Subsection A of
21 this Section shall be allowed a deduction, not to exceed three percent, from the
22 amount ~~so~~ collected and remitted to the secretary as compensation for ~~such~~
23 collection. The compensation shall not be allowed, however, if the remittance is not
24 made timely.

25 * * *

26 Section 2. This Act shall become effective on July 1, 2018; if vetoed by the governor
27 and subsequently approved by the legislature, this Act shall become effective on July 1,
28 2018, or on the day following such approval by the legislature, whichever is later.

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

HB 28 Original

2018 First Extraordinary Session

Smith

Abstract: Levies a tax on prepaid mobile devices and prepaid mobile device cards.

Present law levies a tax of 4.5¢ per month on residential and business customer telephone access lines of local exchange companies operating in La. The tax is collected by the telecommunications company and remitted to the Dept. of Revenue (DOR) on or before 30 days after the close of each calendar quarter on forms prescribed by the secretary. Present law exempts wireless devices used only for data purposes and prepaid wireless devices from the tax.

Proposed law repeals the present law tax exemption for prepaid wireless devices.

Proposed law levies a tax on prepaid mobile devices and prepaid mobile device cards. The amount of the tax varies as follows:

- (1) For purchases that equal less than \$10, the tax shall equal 50¢ per retail transaction.
- (2) For purchases that equal at least \$10, but less than \$20, the tax shall equal \$1 per retail transaction.
- (3) For purchases that equal more than \$20, the tax shall equal \$2 per retail transaction.

Proposed law requires the seller of prepaid mobile devices or prepaid mobile device cards to collect the tax pursuant to proposed law from each purchaser and to remit the tax to DOR in accordance with present law. Further requires the amount of the tax to be separately stated on an invoice or other similar document provided to the consumer or to otherwise disclose the amount of the tax to the consumer.

Present law authorizes a deduction not to exceed 3% from the amount of tax collected each month by telecommunication service companies collecting and remitting the tax as compensation for collection of the tax.

Proposed law retains present law and extends the 3% deduction to sellers of prepaid mobile devices or prepaid mobile device cards as compensation for collection and remittance of the tax.

Present law requires, after satisfaction of the requirements of the Bond Security and Redemption Fund, monies from the tax to be deposited into the "Telecommunications for the Deaf Fund" to be used to establish, administer, and promote a statewide program to provide accessibility services and assistive technology for persons who are deaf, deaf/blind, hard of hearing, speech impaired, or others with similar disabilities or impairments.

Proposed law retains present law.

Effective July 1, 2018.

(Amends R.S. 47:1061(A)(1) and (2))