

TELECOMMUNICATION SERVICES EXCISE TAX

DESCRIPTION

The telecommunication services excise tax is levied on providers of telephone or telecommunication services in order to finance 911 emergency telecommunication services and telecommunication devices for the deaf. The tax rate varies by type of provider and purpose of the tax. Public service corporations are taxed at a 1.5% rate for the purpose of financing 911 emergency telecommunication services. Through FY 2001, public service corporations are also taxed at a 1.1% rate for funding telecommunication devices for the deaf and poison control. In addition, wireless service providers are taxed at a rate of 20 cents per month rate for each activated wireless service in order to finance 911 emergency telecommunication services.

TAX YIELD

<u>Fiscal Year</u>	<u>911 Excise Tax</u>	<u>Telecommunications</u>		<u>Total</u>
		<u>Device</u>	<u>911 Wireless</u>	
1997-98	\$7,652,326	\$6,724,540	\$ 722,736	\$15,099,602
1998-99 Est.	\$8,084,729	\$7,066,149	\$1,181,481	\$16,332,359

DISTRIBUTION OF TELECOMMUNICATION SERVICES EXCISE TAX

<u>Fiscal Year</u>	<u>Emergency</u>	<u>Telecommunications</u>	<u>Poison Control Fund</u>
	<u>Telecommunication</u>	<u>Fund for the Deaf</u>	
	<u>Services Revolving Fund</u>		
1997-98	\$8,375,062	\$4,908,914	\$1,815,626
1998-99 Est.	\$9,266,210	\$5,158,289	\$1,907,860

1999 TAX LAWS

Laws 1999, Chapter 176 continued for FY 2000 and FY 2001 the tax rate and distribution structure that were first established by session law in Laws 1996, 5th Special Session, Chapter 5 and re-established by Laws 1997, 1st Special Session, Chapter 5. The tax rate on public service corporations is continued at 1.1%, of which 0.8% is deposited in the Telecommunications Fund for the Deaf and the other 0.3% is deposited in the Poison Control Fund. (Effective August 6, 1999)

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