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## DIGEST

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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))