

**LEGISLATIVE FISCAL OFFICE**  
**Fiscal Note**



Fiscal Note On: **HB 28** HLS 181ES 2

Bill Text Version: **ORIGINAL**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

<b>Date:</b> February 19, 2018 9:11 PM	<b>Author:</b> SMITH, P.
<b>Dept./Agy.:</b> Revenue	<b>Analyst:</b> Greg Albrecht
<b>Subject:</b> Telecommunications Tax for the Deaf	

TAX OR INCREASE SD RV See Note Page 1 of 1  
Increases the tax on certain telecommunication devices and services and levies a tax on prepaid mobile devices and prepaid mobile device cards (Item #10)

Present law levies a tax of 4.5¢ per month on each wireless access line and per telephone number for each wireless handset device on each residential and business customer of a local or wireless communication service company operating in the state.

Proposed law adds a 3-tier tax to prepaid mobile devices and cards based on the prepaid value. Less than \$10: tax of 50¢ per retail transaction; from \$10 to \$20: tax of \$1 per retail transaction; more than \$20: tax of \$2 per retail transaction.

Effective July 1, 2018.

<b>EXPENDITURES</b>	<b>2018-19</b>	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>	<b>5 -YEAR TOTAL</b>
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Ded./Other	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Federal Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<b>\$0</b>
<b>Annual Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

  

<b>REVENUES</b>	<b>2018-19</b>	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>	<b>5 -YEAR TOTAL</b>
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Ded./Other	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
Federal Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<b>\$0</b>
<b>Annual Total</b>						

**EXPENDITURE EXPLANATION**

There is no anticipated direct material effect on governmental expenditures as a result of this measure.

**REVENUE EXPLANATION**

This tax was reduced from 5¢ per month to 4.5¢ per month, and was extended to wireless lines as of October 1, 2017; within the current fiscal year (FY18). No tax is currently imposed on prepaid wireless devices. While the new tax levies imposed by the bill will generate additional tax receipts, and estimate of those receipts can not be generated. The retail transactions involving the different tiers of prepaid devices and cards specified by the bill are not known at this time. The proceeds of this tax are deposited into the Telecommunications for the Deaf Fund.

Monies in that Fund are appropriated 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, including captioning and American sign language services to be utilized at the legislature.

Senate Dual Referral Rules  
 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H}  
 13.5.2 >= \$500,000 Annual Tax or Fee Change {S&H}

House  
 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}  
 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

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