
DIGEST

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HB 28 Engrossed

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 of \$1.50 per retail transaction. Further defines a "retail transaction" for purposes of proposed law as each individual purchase of a prepaid mobile device or prepaid mobile device card.

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))

Summary of Amendments Adopted by House

The Committee Amendments Proposed by House Committee on Ways and Means to the original bill:

1. Change the amount of the tax levied from a graduated amount of tax based on the amount of the retail transaction to a flat tax of \$1.50 per retail transaction.
2. Define "retail transaction" for purposes of proposed law as each individual purchase of a prepaid mobile device or prepaid mobile device card.