

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 27** HLS 181ES 91

Bill Text Version: **ENROLLED**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: March 6, 2018 12:12 PM	Author: SMITH, P.
Dept./Agy.: Revenue	Analyst: Greg Albrecht
Subject: Telecommunications Tax for the Deaf	

TAX EN +\$213,000 SD RV See Note Page 1 of 1
Increases the tax on certain telecommunication devices and services (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 increases the levy to 5¢ per month.

Effective upon governor's signature.

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

REVENUES	2018-19	2019-20	2020-21	2021-22	2022-23	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$213,000	\$213,000	\$213,000	\$213,000	\$213,000	\$1,065,000
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	\$0
Annual Total	\$213,000	\$213,000	\$213,000	\$213,000	\$213,000	\$1,065,000

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). The tax is imposed and collected at a 4¢ rate for six months of the year (beginning with the fourth quarter of 2017) and then at a 5¢ rate for six months of the year (beginning with the second quarter of 2018). This will average the tax rate to the 4.5¢ rate of present law. Annualizing the collections reported for the fourth quarter of 2017 on a per 1¢ basis, suggests annual collections at the 5¢ rate for a full year of some \$213,000. Since the bill is effective upon signature of the governor, there may be additional collections during the remaining months of FY18, as well; possibly some \$53,000 in the last quarter of the fiscal year. 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}

John D. Carpenter
Legislative Fiscal Officer