



911 Surcharge Notice

Notice #17-05

April 2017

Monthly Communication Services 911 Surcharge

Retailers of Communication Services Will Remit 911 Surcharges to the Department of Revenue

Last year, the Tennessee General Assembly enacted Public Chapter 1047 (2016), which takes effect on July 1, 2017. The new law requires retailers of monthly communications services (wireline and non-prepaid wireless telecommunications services) to begin reporting and remitting their 911 surcharge collections to the Department of Revenue instead of the Tennessee Emergency Communications Board.

Retailers already remit 911 surcharges collected on prepaid wireless communications to the Department. See important notice 15-02 for more information regarding the 911 surcharge on prepaid wireless communications.

The Department will distribute the 911 surcharge collections to the Tennessee Emergency Communications Board. The money collected is used to provide Tennessee emergency communications services.

Remitting 911 Surcharges for Reporting Periods Beginning on or after July 1, 2017

Telecommunication services retailers will report the 911 surcharges on their television and telecommunications sales tax return, also referred to as TV Programming & Telecommunications Sales and Use Tax Return (TV/telecom return). A retailer must remit the 911 surcharges in the same manner as and in conjunction with filing and paying its sales and use tax for reporting periods beginning on or after July 1, 2017. If a retailer files monthly sales and use tax returns, 911 surcharge collections must be reported and remitted for the same monthly period.

Retailers must file their TV/telecom returns electronically through a new Departmental website called Tennessee Taxpayer Access Point (TNTAP). Beginning with the July reporting period, a new Schedule D is included on the TV/telecom return to report the 911 surcharge collections. The information reported in the new Schedule D is the same information previously reported on the remittance form submitted to the Tennessee Emergency Communications Board.

Schedule D – 911 Surcharge

Schedule D contains the following lines that must be completed:

- 1) Number of Communications Services Billed
- 2) Gross Collections of 911 Surcharge
- 3) Amount Collected of Uncollectible Deductions from Prior Periods
- 4) Net Collection
- 5) Administrative Fee for Collection
- 6) 911 Surcharge

Any 911 surcharge collections not reported and/or remitted on time will be subject to applicable penalty and interest effective July 1, 2017.

Retailers may keep a portion of the 911 surcharge as an administrative fee. **Beginning July 1, 2017, the administrative fee retailers may keep is two percent of the 911 surcharges collected (down from three percent).**

Disclaimer: The information provided here is current as of the date of publication but may change as a result of new statutes, regulations, or court decisions. While this notice is intended to be comprehensive, events and situations unanticipated by this notice may occur. In such cases you should contact the department or your tax professional for further guidance.

Remitting 911 Surcharges for Reporting Periods Prior to July 1, 2017

911 surcharge collections and remittance forms for periods prior to July 1, 2017, must be submitted to the Tennessee Emergency Communications Board. Retailers seeking a refund or wanting to file an amended or late remittance form for periods prior to July 1, 2017, must contact the Tennessee Emergency Communications Board. The Department of Revenue will receive 911 surcharge collections *only* for reporting periods beginning on or after July 1, 2017.

Collection of the 911 Surcharges

Telecommunications retailers must collect the 911 surcharge of \$1.16 from their customers on the monthly charge for retail sales of communication services of five dollars or more. If a retailer collects the charge for the services on a less than monthly basis (e.g. annually), the 911 surcharge still must be collected for each month or partial month to which the services apply.

The 911 surcharge must be collected from all purchasers of monthly communications services, even if a purchaser, such as a nonprofit organization or governmental agency, is exempt from sales and use tax. However, a reseller may provide a sales and use tax resale certificate to purchase the

communication services for resale without paying the 911 surcharge, as long as the reseller collects the surcharge from its customers.

A retailer must separately state the 911 surcharge on the invoice, receipt or other sales document given to the purchaser. If more than one separately priced monthly communication service is sold, each service is subject to the surcharge. For example, if a retailer sells five different monthly wireless plans to a customer, it must collect 911 surcharges of \$5.80 per month (\$1.16 per month for each service capable of simultaneously placing a 911 call). However, a dealer of monthly communication services may not impose more than 200 surcharges per month on a single subscriber of communication services for a single building with a single fixed address.

For More Information

Visit www.tn.gov/revenue. Click on Revenue Help to search for answers or to submit an information request to one of our agents.

References

Tenn. Code Ann. § 7-86-128; Tenn. Code Ann. § 7-86-103; Public Chapter 1047 (2016)