

1 H.145

2 Introduced by Representative Sibia of Dover

3 Referred to Committee on

4 Date:

5 Subject: Telecommunications; universal service charge; prepaid wireless;
6 point of sale

7 Statement of purpose of bill as introduced: This bill proposes to require retail
8 sellers of prepaid wireless telecommunications service to collect the universal
9 service charge at the point of sale.

10 An act relating to the universal service charge and prepaid wireless
11 telecommunications service

12 It is hereby enacted by the General Assembly of the State of Vermont:

13 Sec. 1. 30 V.S.A. § 7521(d) is amended to read:

14 ~~(d)(1) Notwithstanding any other provision of law to the contrary,~~
15 ~~beginning on September 1, 2014, in the case of prepaid wireless~~
16 ~~telecommunications service, the Universal Service Charge shall be imposed as~~
17 ~~follows:~~

18 ~~(A) If the provider sells directly to a consumer in a retail transaction,~~
19 ~~the provider may collect the Charge from the customer at the rate specified in~~
20 ~~section 7523 of this title; or~~

1 ~~(B) if the provider does not sell directly to the consumer, or if the~~
2 ~~provider sells directly to the customer in a retail transaction but elects not to~~
3 ~~collect the Charge from the customer, the Charge shall be imposed on the~~
4 ~~provider at the rate determined in subdivision (2) of this subsection (d).~~

5 ~~(2) The Public Utility Commission shall establish a formula to ensure~~
6 ~~the Universal Service Charge rate imposed on prepaid wireless~~
7 ~~telecommunications service providers under subdivision (1)(B) of this~~
8 ~~subsection reflects two percent of retail prepaid wireless telecommunications~~
9 ~~service in Vermont.~~

10 ~~(3) As used in this subsection, “prepaid wireless telecommunications~~
11 ~~service” means a telecommunications service as defined in subdivision 203(5)~~
12 ~~of this title that a consumer pays for in advance and that is sold in~~
13 ~~predetermined units or dollars that decline with use. [Repealed.]~~

14 Sec. 2. 30 V.S.A. § 7521(e) is added to read:

15 (e)(1) Notwithstanding any other provision of law to the contrary,
16 beginning on January 1, 2020, the universal service charge shall be imposed on
17 all retail sales of prepaid wireless telecommunications service subject to the
18 sales and use tax imposed under 32 V.S.A. chapter 233. The charges shall be
19 collected by sellers and remitted to the Department of Taxes in the manner
20 provided under 32 V.S.A. chapter 233. Upon receipt of the charges, the
21 Department of Taxes shall have 30 days to remit the funds to the fiscal agent

1 selected under section 7503 of this chapter. The Commissioner of Taxes shall
2 establish registration and payment procedures applicable to the universal
3 service charge imposed under this subsection consistent with the registration
4 and payment procedures that apply to the sales tax imposed on such services.

5 (2) If a minimal amount of prepaid wireless telecommunications service
6 is sold with a prepaid wireless device for a single, nonitemized price, then the
7 seller may elect not to apply the charge to such transaction.

8 (3) As used in this subsection:

9 (A) “Minimal amount” means an amount of service denominated as
10 not more than 10 minutes or not more than \$5.00.

11 (B) “Prepaid wireless telecommunications service” means a
12 telecommunications service as defined in subdivision 203(5) of this title that a
13 consumer pays for in advance and that is sold in predetermined units or dollars
14 that decline with use.

15 (C) “Seller” means a person who sells prepaid wireless
16 telecommunications service to a consumer.

17 Sec. 3. EFFECTIVE DATES

18 This act shall take effect on passage, except that Sec. 1 shall take effect on
19 January 1, 2020.