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H.738

Proposal to Amend the Contribution Method for the VUSF

Sec. W. 30 V.S.A. § 7501(a) is amended to read:

(a) It is the purpose of this chapter to create a financial structure that will allow every Vermont household to obtain basic telecommunications service at an affordable price, and to finance that structure with a ~~proportional~~ charge on all telecommunications transactions that interact with the public switched network.

Sec. X. 30 V.S.A. § 7523 is amended to read:

§ 7523. RATE OF CHARGE

(a)(1) ~~Beginning on July 1, 2014, the~~ Except as provided in subsection 7521(e) of this chapter, which pertains to prepaid wireless telecommunications service, the rate of charge shall be two percent of retail telecommunications service \$0.70 for each retail telecommunications service line capable of accessing the 911 system.

(b) ~~Beginning on July 1, 2019, the rate of charge established under subsection (a) of this section shall be increased by four tenths of one percent of retail telecommunications service, and the monies collected from this increase~~ From the monies collected by the Universal Service Charge under this chapter, 17 percent shall be transferred to the Vermont Community Broadband Fund established under section 8083 of this title, and up to \$120,000.00 shall be used

1 to fund a Rural Broadband Technical Assistance Specialist whose duties shall
2 include providing outreach, technical assistance, and other support services to
3 communications union districts established pursuant to chapter 82 of this title
4 and other units of government, nonprofit organizations, cooperatives, and for-
5 profit businesses for the purpose of expanding broadband service to unserved
6 and underserved locations. Support services also may include providing
7 business model templates for various approaches, including formation of or
8 partnership with a cooperative, a communications union district, a rural
9 economic development infrastructure district, an electric utility, or a new or
10 existing Internet service provider as operator of the network.

11 (c) Universal Service Charges imposed and collected by the fiscal agent
12 under this subchapter shall not be transferred to any other fund or used to
13 support the cost of any activity other than in the manner authorized by this
14 section and section 7511 of this title.

15 Sec. Y. 30 V.S.A. § 7521(e)(1) is amended to read:

16 (e)(1) Notwithstanding any other provision of law to the contrary,
17 ~~beginning on January 1, 2020, the~~ a Universal Service Charge of 2.4 percent
18 shall be imposed on all retail sales of prepaid wireless telecommunications
19 service subject to the sales and use tax imposed under 32 V.S.A. chapter 233.
20 The charges shall be collected by sellers or marketplace facilitators collecting
21 sales tax pursuant to 32 V.S.A. § 9713 and remitted to the Department of

1 Taxes in the manner provided under 32 V.S.A. chapter 233. Upon receipt of
2 the charges, the Department of Taxes shall have 30 days to remit the funds to
3 the fiscal agent selected under section 7503 of this chapter. The Commissioner
4 of Taxes shall establish registration and payment procedures applicable to the
5 Universal Service Charge imposed under this subsection consistent with the
6 registration and payment procedures that apply to the sales tax imposed on
7 such services and also consistent with the administrative provisions of 32
8 V.S.A. chapter 151, including any enforcement or collection action available
9 for taxes owed pursuant to that chapter.

10 Sec. Z. EFFECTIVE DATE

11 This act shall take effect on September 30, 2022.