



Colorado Prepaid Wireless 9-1-1 Surcharge

The 9-1-1 Task Force with the Wireless Industry has worked on model legislation to address the many problems inherent in trying to collect 9-1-1 surcharges from prepaid wireless customers who do not receive monthly bills from their providers. This model legislation was endorsed by the NCSL Executive Committee Task Force on Taxation of Communications and Electronic Commerce on July 19, 2009 and has been enacted in Louisiana, Maine, and Texas. Additional states are expected to approve the model legislation in the 2010 sessions.

KEY PROVISIONS

- A single wireless prepaid 9-1-1 surcharge. Colorado is one of eight states that require local remittance of 9-1-1 surcharges. This bill would preserve local remittance for postpaid surcharges and traditional landline surcharges, but provides for a single statewide 9-1-1 surcharge that is collected at the point of sale, remitted to the Department of Revenue and then distributed by formula to local E9-1-1 Authority Boards.
- Rate imposed at 1.4% of each retail transaction. This rate is determined by dividing the current \$.70 statutory maximum wireless surcharge by the average wireless bill of \$50 per month. This provides parity between prepaid and postpaid consumers.

BENEFITS TO PUBLIC SAFETY AGENCIES

- Certain, stable, and predictable revenues from prepaid wireless customers. Prepaid wireless revenues are estimated at 19.2% of your current wireless surcharge revenue.

IMPLEMENTATION

- Model legislation has been endorsed by the wireless industry, 9-1-1 agencies, and WalMart stores. The proposal incorporates the model legislation into Colorado's existing statutory framework.
- The prepaid wireless surcharge would be tied directly to the national average of what postpaid users are spending on their services. Any changes in the postpaid surcharge (increases or reductions) would apply to the prepaid wireless 9-1-1 surcharge.

WHO SUPPORTS THIS PROPOSAL

- Colorado 9-1-1 Task Force
- Colorado and National Offices of Emergency Number Association (NENA)
- Association of Public Safety Communications Officials (APCO)
- Colorado Municipal League
- Wireless Industry: Alltel, AT&T, Cricket Communications, CTIA, OnStar, Sprint, Tracfone, T-Mobile, Verizon, Virgin Mobile, US Cellular
- Retail Industry: WalMart

Please contact the 9-1-1 Task Force to offer your support of this legislative initiative
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