

STATE OF MAINE

Interdepartmental Memorandum

February 15, 2012

To: The Joint Standing Committee on Energy, Utilities and Technology

From: Peter B. Beaulieu, Director of Sales, Fuel and Special Tax Division,
Maine Revenue Services (MRS)

Subject: LD 1799 – An Act Regarding the Collection of Fees for Prepaid Wireless Service

Primary Sponsor: Representative Stacey Fitts.

Estimated Revenue Impact: Not determined by MRS.

Estimated Administrative Cost Impact: A one-time cost associated with modifying the sales tax return and reports associated with the prepaid wireless fee amounts to \$20,000 in FY13.

Identified Issues:

- Section 12 of this bill defines “prepaid wireless fee” as the combination of fees associated with the state universal service fund, the telecommunications education access fund and the E-9-1-1 surcharge and requires these fees to be remitted to the State Tax Assessor.
- The assessor currently collects the E-9-1-1 surcharge by means of the sales tax return.
- Section 12 requires the assessor to remit the reported fees to the Public Utilities Commission. Since the commission will be required to deposit these fees into separate accounts, it is assumed that the commission will require that level of detail from the assessor. To provide that detail, retailers will need to report these fees separately on the sales tax return requiring two additional lines to be added to the return.

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