

HB 2767 -- PREPAID WIRELESS EMERGENCY TELEPHONE SERVICE CHARGES

SPONSOR: Perkins

COMMITTEE ACTION: Voted "Do Pass" by the Standing Committee on Crime and Public Safety by a vote of 14 to 0.

Currently, a charge of 3% is imposed on retail transactions of prepaid wireless telecommunications service to help fund 911 services. This bill increases the charge to 4%.

Currently, the first \$15 of each transaction is not subject to the service charge. This bill repeals this provision.

The bill requires sellers of prepaid wireless telecommunications services to report to the Department of Revenue the number of retail transactions for which the charge was collected, and the total dollar amount of each transaction and of each service charge. If the Department of Revenue determines that a seller has not collected the charge, the seller will not be allowed to deduct and retain any amount of the charge nor of sales tax for the reporting period for which the Department has determined a deficiency.

PROPOSERS: Supporters say that funding for 911 services used to be stable; that has changed because now there are cell phones and most people no longer have land lines. Witnesses indicated that they are looking to change the charge for prepaid phones to 4% to pay for updated equipment and training. This fee was initially passed 8 years ago and there were other funds that were given to 911 so they were able to do some Geographic Information System (GIS) updates. The goal is to move the needle a little bit and this should not affect pay. This goal is to have the entire state function efficiently with the new generation of 911 service since the old landline model is archaic. Since more and more internet-based service is being pushed, people are going the way of prepaid phones; accordingly, there needs to be an increase in the tax on those so the board of governors can implement the service. A minimum standard of training is required and the additional funding would help.

Testifying in person for the bill were Representative Perkins; Ambulance District Association of Missouri; MO Directors Association; Mo Nena; Mo APCO; and Alan Wells.

OPPOSERS: There was not opposition voiced to the committee.

Written testimony has been submitted for this bill. The full written testimony and witnesses testifying online can be found under Testimony on the bill page on the House website.