

HB 1814 -- PREPAID WIRELESS BUSINESS LICENSE TAX ACT

SPONSOR: Hicks

This bill establishes the "Prepaid Wireless Telecommunications Business License Tax Act."

The bill states that no municipality shall impose any business license tax, on the gross receipts of a telecommunications company derived from the business of providing prepaid wireless telecommunications service, except as specified. The bill shall not apply to business license taxes on gross receipts other than gross receipts derived from prepaid wireless telecommunications service. It does not have the effect of repealing any existing ordinance imposing a business license tax on a telecommunications company, provided that, a city with an ordinance in effect prior to August 28, 2016, complies with the bill.

Any business license tax imposed on the gross receipts of a telecommunications company derived from the business of providing prepaid wireless telecommunications service after August 28, 2016, shall be imposed only on the gross receipts from retail sales. The bill specifies a hierarchy for tax collection among overlapping jurisdictions and contains instructions on how to calculate the tax and to whom it is owed.

The bill allows a telecommunications company to recover costs from its customers through a line item charge and also allows companies to make use of customer information in good faith to calculate taxes owed and to be immune from liability if acting in good faith and reliance upon customer information.