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E-911 Service Charge on Prepaid Wireless

Beginning January 1, 2015 Florida imposes an E-911 Service Charge on the sale of all *prepaid wireless services* of 40¢ per transaction per *service identifier*. This E-911 Service Charge is imposed on the customer at the retail level. It must be collected by the seller. This will require any business selling or collecting for prepaid wireless service to take action as outlined below:

- 1) Determine the county or counties in which sales transactions occur for reporting purposes.
 - If the transaction takes place in person by a consumer at a retail location in Florida, the reported transaction would occur in the county of the retail location.
 - If the transaction does not take place at a retail location in Florida, and items are shipped to the consumer, the reported transaction would occur in the county of the consumer's mailing address.
 - If the transaction does not take place at a retail location in Florida, and no items are shipped to the consumer, the reported transaction would occur in the county of the consumer's address or the location associated with the consumer's mobile telephone number.
 - If the county in which the transaction occurs cannot be determined, the fee is to be reported as nonspecific.
- 2) Register each business location with the Florida Department of Revenue before January 1, 2015.
 - a. If your business is already registered to collect sales and use tax you may use a simplified process to notify the Florida department of Revenue that you will be collecting the new E-911 Service Fee. This can be done on line at www.myflorida.com/dor/E-911req.
 - b. If you are not currently registered to collect Florida Sales Tax you must register with the Florida Department of Revenue at www.myflorida.com/dor or file your application using form DR-1.
- 3) Program your POS or Cash Register to separately report the applicable E-911 Fee on all customer receipts and to track the E-911 Fees collected. The current E-911 Fee is 40¢ per transaction regardless of the size of the transaction.
- 4) File and pay E-911 fees collected to the Florida Department of Revenue on that same schedule on which you are required to file and pay sales taxes. If you are a monthly sales

tax filer then you must report and pay E-911 Fees monthly. If you are a quarterly sales tax filer then you must report and pay E-911 Fees Quarterly.

“Prepaid wireless services” is defined as: wireless services that are paid for in advance and sold in predetermined units or dollars that must expire on a predetermined schedule or decrease on a predetermined basis. This includes calling cards, plans, replenishments, or devices sold with prepaid wireless service.

“Service Identifier” is defined as a telephone or device number that is serviced by the purchaser.

Bad news failure to collect the E-911 Service Charge from your customer will not relieve you of responsibility to pay the amount that should have been collected to the state.

Good news although you are to begin collecting the E-911 Service Charge on all sales beginning on January 1, 2015 forward, amounts collect for January and February become the property of the business collecting them and are intended by the state to offset the cost to dealers of reprogramming POS or making other changes required to charge, track, collect and remit the E-911 Service Charge.

This information has been developed and summarized based on: Sections 365.172 and 365.173, Florida Statutes; Chapter 2014-196, Laws of Florida.

If you would like RMS Accounting to register your business with the Florida Department of Revenue as a seller of prepaid wireless services, please provide us with a list of locations that needs to be registered. The processing of registration will be subject to a fee of \$150.00 per location.

If you have questions about the information provided, please contact RMS Accounting to discuss your questions.