IMPORTANT NOTICE OF TAX CHANGE FOR 2015

Retailers that do not sell wireless telephones or pre-paid telecommunication services (i.e. pre-paid cell phone minutes or phone cards) are not affected by the following tax change and should disregard this notification.

Effective August 1, 2015, the tax rate for pre-paid telecommunication services and wireless telephones subject to the pre-paid wireless emergency-911 surcharge (pre-paid e-911 surcharge) will change from $1 to $1.65 per retail transaction. This surcharge is collected on each retail transaction regardless of whether the service or pre-paid wireless telephone is purchased in person, by telephone, through the Internet or by any other method. The pre-paid e-911 surcharge is to be charged and collected by the retailer in addition to any other charges or fees and is not to be included for purposes of calculating sales tax.

There will not be a separate return for the pre-paid e-911 surcharge. It is to be reported on the sales and use tax return, which has been modified to include a separate line item to report the surcharge. Pre-paid e-911 surcharges are to be collected by a seller and reported and remitted to the Department of Revenue with the same filing frequency and by the same due dates as a seller's sales/use tax returns.

Also effective Aug. 1, the discount available to retailers that timely remit pre-paid e-911 surcharge returns and payments will go from 3 percent to 1.5 percent. This discount is separate from the 1 percent discount available for timely remitting sales tax returns and payments and will automatically be calculated by the department. Both discounts are applicable only if the return is filed and payment in full is made on or before the sales tax due date.

Additionally, retailers are responsible for keeping records detailing non-retail sales transactions, which may be requested for review by the department.

For more information on the pre-paid e-911 surcharge, visit the department’s Online Customer Service Center at www.revenue.state.pa.us or call 717-787-1064 and press Option 2 for sales and use tax.