

WEST VIRGINIA LEGISLATURE
2016 FIRST EXTRAORDINARY SESSION

Introduced

Senate Bill 1003

**FISCAL
NOTE**

BY SENATOR KESSLER

(BY REQUEST OF THE EXECUTIVE)

[Introduced May 16, 2016]

1 A BILL to amend the Code of West Virginia, 1931, as amended, by adding thereto a new section,
 2 designated §11-15-3d, relating to imposing the consumers sales and service tax and use
 3 tax on sales of telecommunications service and ancillary services.

Be it enacted by the Legislature of West Virginia:

1 That the Code of West Virginia, 1931, as amended, be amended by adding thereto a new
 2 section, designated §11-15-3d, to read as follows:

ARTICLE 15. CONSUMERS SALES AND SERVICE TAX.

§11-15-3d. Imposition of consumers sales tax on telecommunications service and ancillary services.

1 (a) Notwithstanding the provisions of section eight of this article or any other provision of
 2 this code, on and after July 1, 2016, telecommunications service and ancillary services, as defined
 3 in article fifteen-b of this chapter, shall be subject to the consumers sales and service tax imposed
 4 by this article, and the use tax imposed by article fifteen-a of this chapter: *Provided*, That payment
 5 of the tax imposed under this article or under article fifteen-a of this chapter on prepaid wireless
 6 services is sufficient to fulfill the mandate of this section, and prepaid wireless services shall not
 7 be subjected to double taxation under this article: *Provided, however*, That this section shall not
 8 be interpreted to prevent imposition of any other lawfully imposed municipal tax or fee or any other
 9 tax or fee lawfully imposed under any state or federal law, or the laws of any subdivision thereof
 10 on such prepaid wireless services.

11 (b) The tax imposed by this section shall be in addition to any municipal utilities tax,
 12 municipal consumers sales and service tax and use tax, or other tax lawfully imposed on
 13 telephone service, telecommunications service and ancillary services.

14 (c) The sale of telecommunications service and ancillary services on which tax is imposed
 15 by this section shall be subject to sourcing rules of the Streamlined Sales Tax Agreement as
 16 defined in article fifteen-b of this chapter.

17 (d) Notwithstanding the fact that a service provider did not meet the threshold amount for

18 the previous calendar year that would cause accelerated payment to be made in the current year,
19 the accelerated payment rule imposed under subsection (g), section sixteen of this article applies
20 to the tax imposed by this section, if the service provider's total combined monthly remittance of
21 the taxes levied by this article and article fifteen-a of this chapter for any calendar month beginning
22 on and after July 1, 2016, exceeds, or can reasonably be expected to exceed, \$100,000.

NOTE: The purpose of this bill is to impose the consumers sales and service tax and the use tax on sales of telecommunications service and ancillary services.

Strike-throughs indicate language that would be stricken from a heading or the present law and underscoring indicates new language that would be added.