



New Surcharge on Prepaid Wireless Cards and Services Beginning January 1, 2016

If you sell prepaid wireless phone cards and services, you will be required to collect and pay the new Prepaid Mobile Telephony Services (MTS) surcharge to the Board of Equalization (BOE).

Action required! Please email us so we can update our records.

If you sell prepaid wireless services, email us at SUTD-MTS@boe.ca.gov with your name and seller's permit number so we can provide you important information about this new law.

If you do *not* sell prepaid wireless services, email us at SUTD-NOMTS@boe.ca.gov with your name and seller's permit number. We will remove you from the mailing list so you do not receive further notices about prepaid MTS.

What is the new Prepaid MTS surcharge?

Beginning January 1, 2016, a single new prepaid MTS surcharge replaces the multiple surcharges and fees imposed prior to January 1, 2016. The surcharge is a percentage of the retail sales price of prepaid wireless cards and services sold in this state, either alone or combined with mobile data or other services. These fees will fund multiple state services, including 911 emergency and telecommunication services.

What is subject to the new prepaid MTS surcharge?

All wireless services and plans that customers pay for upfront prior to using the service, such as prepaid wireless cards or minutes, or prepaid wireless refill or top-off cards, are subject to the prepaid MTS surcharge.

What do I need to do if I sell prepaid wireless services to purchasers in this state?

- Email us at SUTD-MTS@boe.ca.gov and provide your name and seller's permit number (if applicable).
- Register online with the BOE as a prepaid MTS seller; this is a separate account from your seller's permit account. (*Prepaid MTS registration will be available this winter.*)
- Know the proper surcharge rate and any applicable local rates. (*Rate information will be posted to our website on November 2, 2015.*)
- Beginning on January 1, 2016, charge and collect the surcharge (including applicable local charges) from your customers.
- Separately state the surcharge rate on the invoice or other document you issue to your customers.
- Electronically file your prepaid MTS returns and pay the amounts collected to the BOE.

Where can I go for more information?

Read our *Prepaid Mobile Telephony Services Surcharge* guide at www.boe.ca.gov/industry/prepaid_mts_surcharge.html. We will continually update the guide with registration, filing, and rate information.

If you have additional questions, you may call our Customer Service Center at 1-800-400-7115 (TTY:711) Monday through Friday, 8:00 a.m. to 5:00 p.m. (Pacific time), excluding state holidays.

L-412 (8-15)

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