

Revenue Ruling No. 17-001
September 13, 2017

Telecommunication Tax for the Deaf
Implementation of Act 273 of the 2017 Regular Session

Purpose:

The purpose of this Revenue Ruling is to provide clarity regarding the collection of the four and one-half cents tax per month per line for each wireline access line and per telephone number for each wireless handset device on each residential and business customer of a local or wireless telecommunication service company operating in Louisiana.

Law:

Act 273 of the 2017 Regular Session of the Louisiana Legislature amended La. R.S. 47:1061(A)(1) to decrease the Telecommunication Tax for the Deaf from five cents per month to four and one-half cents per month per line on each residential and business customer of a local telecommunication company operating in Louisiana. The Act also imposes a four and one-half cents tax per month per line for each wireline access line and per telephone number for each wireless handset device on each residential and business customer of a wireless telecommunication service company operating in Louisiana. The tax does not apply to wireless devices used only for data purposes or to prepaid wireless devices. The Act is effective for the calendar quarter beginning October 1, 2017.

La. R.S. 47:1061(A)(2) provides that a local or wireless telecommunication service company collecting and remitting the tax is allowed a deduction, not to exceed three percent, from the amount collected and remitted to the Louisiana Department of Revenue. If the remittance to the department is not made timely, the deduction will be disallowed.

La. R.S. 47:1061(A)(3) provides that the tax collected and remitted by the local or wireless telecommunication service company is not subject to any tax, fee, or assessment, nor is it to be considered revenue of the local or wireless telecommunication service company.

Facts and Analysis:

A tax of four and one-half cents per month imposed per line for each wireline access line and per telephone number for each wireless handset device on each residential and business customer of a local or wireless telecommunication service company operating in Louisiana will yield fifty-four cents over a twelve month period of time. Local or wireless telecommunication service companies operating in Louisiana are unable to collect one-half cent from their residential and business customers. Therefore, the department authorizes local or wireless telecommunication service companies to collect and remit the tax from each residential and business customer at

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four cents per month for two consecutive calendar quarters and five cents per month for two consecutive calendar quarters on an alternating basis. The tax rate per calendar quarter shall be determined using the following table:

Calendar Quarter	Months	Tax Rate Per Quarter	Filing Date
Fourth Quarter	October, November, and December	4 cents per month	January 30
First Quarter	January, February, and March	4 cents per month	April 30
Second Quarter	April, May, and June	5 cents per month	July 30
Third Quarter	July, August, and September	5 cents per month	October 30

The quarterly remittance will be in accordance with the above schedule. As such, on an annual basis, the total amount collected and remitted will be fifty-four cents per line as contemplated by Act 273 of the 2017 Regular Session of the Louisiana Legislature. The tax will be collected from each residential and business customer and remitted by each company on or before thirty days after the close of each calendar quarter to the department on Form R-5702-L or its successor. If the tax is remitted in accordance with this Revenue Ruling, local or wireless telecommunication service companies will be considered to have complied with the requirements of Act 273 and will not be assessed penalties or interest for the under collection of tax for the Fourth and First calendar quarters.

Ruling:

Beginning October 1, 2017, local or wireless telecommunication service companies are authorized to collect and remit the Telecommunication Tax for the Deaf from each residential and business customer at four cents per month for two consecutive calendar quarters and five cents per month for two consecutive calendar quarters on an alternating basis in accordance with above schedule. Penalties or interest will not be assessed when local or wireless telecommunication service companies collect and remit four cents per calendar quarter.

Kimberly L. Robinson
Secretary of Revenue

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