

OFFICE OF LEGISLATIVE RESEARCH
PUBLIC ACT SUMMARY



PA 21-70—HB 6629

Finance, Revenue and Bonding Committee

AN ACT CONCERNING THE COLLECTION AND REMITTANCE OF THE E 9-1-1 FEE BY MARKETPLACE FACILITATORS

SUMMARY: This act makes marketplace facilitators retailers for purposes of collecting and remitting the prepaid wireless E-911 fee, which supports the state’s enhanced emergency 911 program. The law imposes this fee on each sale of prepaid wireless telecommunications services (see BACKGROUND) by a seller conducting a retail transaction in Connecticut. Retailers must disclose the fee amount to consumers in an invoice, a receipt, or other similar document, or post it conspicuously on their websites or on a conspicuous sign at the point of sale. They may keep 1% of the amount collected and must remit the balance to the state.

Under the act, marketplace facilitators that facilitate the sale of prepaid wireless telecommunications services to consumers are considered retailers for these purposes and are thus subject to these requirements. Existing law already requires marketplace facilitators to collect and remit sales tax on behalf of their marketplace sellers.

By law, a “marketplace facilitator” is any person who:

1. facilitates retail sales of at least \$250,000 by marketplace sellers during the prior 12-month period by providing a forum (e.g., website, catalog, or booth) that lists or advertises taxable tangible personal property or services, including digital goods, for sale by those sellers;
2. collects receipts from customers and remits payments to marketplace sellers, directly or indirectly, through agreements or arrangements with third parties; and
3. receives compensation or other consideration for these services.

EFFECTIVE DATE: July 1, 2022, and applicable to sales occurring on or after that date, except that a technical change is effective October 1, 2021.

BACKGROUND

Prepaid Wireless Telecommunications Service

A prepaid wireless telecommunications service is a wireless telephone service that a consumer pays in advance that (1) allows access to the E-911 system by dialing 911 and (2) is sold in predetermined units or dollars that decline with use (sometimes called “no contract plans”). It includes prepaid wireless phone cards, recharge or refill authorization codes, and prepaid cell phones or other prepaid wireless devices preloaded with airtime minutes. It excludes “calling cards.”