

WEST VIRGINIA LEGISLATURE

2016 REGULAR SESSION

Introduced

Senate Bill 355

**FISCAL
NOTE**

BY SENATOR KESSLER

(BY REQUEST OF THE EXECUTIVE)

[Introduced January 21, 2016;

Referred to the Committee on Finance.]

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

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

14 (c) The sale of telecommunications service and ancillary services on which tax is imposed
15 by this section are subject to sourcing rules of the Streamlined Sales Tax Agreement as defined
16 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 April 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.