

Senate State and Local Government Committee 1

Amendment No. 1 to SB2051

Yager
Signature of Sponsor

AMEND Senate Bill No. 2051*

House Bill No. 2192

by deleting all language after the enacting clause and by substituting instead the following:

SECTION 1. Tennessee Code Annotated, Section 7-86-110, is amended by deleting the section in its entirety.

SECTION 2. Tennessee Code Annotated, Section 7-86-128, is amended by deleting subdivision (a)(1) in its entirety and substituting instead the following:

(a)(1) When a dealer collects the sales price for a retail sale of communications service or prepaid communications service from a consumer, such dealer shall collect a 911 surcharge of one dollar and sixteen cents (\$1.16). Dealers shall be entitled to retain as an administrative fee an amount equal to two percent (2%) of the collections of the 911 surcharge on the retail sale of communications service.

SECTION 3. Tennessee Code Annotated, Section 7-86-128(e), is amended by deleting the subsection in its entirety and substituting instead the following:

(e) Dealers of communications service shall collect the 911 surcharge from their customers and, when practicable, display the 911 surcharge as a separate line item on customer bills or invoices. Dealers of prepaid communications service shall collect the 911 surcharge at the point of the sale. 911 surcharge revenue actually collected by a dealer shall be remitted to the department of revenue monthly. No additional or local 911 surcharges on communications service or prepaid communications service shall be permitted. Dealers of retail communications service shall have no obligation to remit surcharges that they are unable to collect from subscribers.

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SECTION 4. Tennessee Code Annotated, Section 7-86-128, is further amended by deleting subsection (f) in its entirety and substituting instead the following language:

(f)

(1) Dealers of communications service and prepaid communications service shall remit the 911 surcharge to the department of revenue in the manner provided by the Retailers' Sales Tax Act, compiled in title 67, chapter 6, with respect to the sales and use taxes. The department of revenue shall establish registration and payment procedures for such dealers that substantially coincide with the registration and payment procedures that apply under the Retailers' Sales Tax Act, compiled in title 67, chapter 6,.

(2) A dealer of prepaid communications shall be permitted to deduct and retain up to two percent (2%) of 911 surcharges that are collected by the dealer from the consumers.

(3) The audit and appeal procedures applicable under title 67, chapter 1, shall apply to the 911 surcharges on communications service and prepaid communications service. Any audit of a dealer of communications service or prepaid communications service shall coincide with the department's normal auditing of the dealer for sales and use tax purposes.

(4) The penalty and interest provisions under title 67, chapter 1, part 8, shall apply to the 911 surcharges on communications service and prepaid communications service.

(5) The department of revenue shall pay all remitted 911 surcharges to the board within thirty (30) days of receipt, for use of the board in accordance with part 3 of this chapter. The department of revenue may deduct an administration fee of one and one hundred twenty-five thousandths percent (1.125%) of the collected charges.

SECTION 5. Tennessee Code Annotated, Section 7-86-303(d), is amended by deleting the last sentence of the subsection and substituting the following language:

At no time during its existence shall the 911 Emergency Communications Fund, or earnings derived thereof, be used to fund the general expenses of the state, except as authorized by this section. All interest or earnings derived from the fund shall be transferred to the fund when earned, and may be allocated by the board, in accordance with this chapter.

SECTION 6. Tennessee Code Annotated, Section 7-86-128, is further amended by adding the following language as a new subsection:

(i) The department of revenue shall have the exclusive authority to audit and to bring any legal action to collect the 911 surcharge collected and remitted by any dealer. The exclusive authority by the department includes, but is not limited to, nonpayment or under-collection errors or other causes of action that relate to the collection of 911 surcharges.

SECTION 7. This act shall take effect July 1, 2017, the public welfare requiring it.