



# Special Notice

WASHINGTON STATE DEPARTMENT OF REVENUE

JANUARY 25, 2011

## Enhanced 911 Excise Tax Changes

### Background

Effective January 1, 2011, new legislation requires both state and the county enhanced 911 (E911) excise taxes to be paid to the Department of Revenue. (Substitute Senate Bill 6846, Chapter 19, Laws of 2010, 1st Special Session)

The bill also:

- Extends the state and county E911 excise taxes to the use of interconnected Voice over Internet Protocol (VoIP) service lines,
- Increases the state E911 excise tax rates, and
- Allows counties to increase the rates of their E911 excise taxes.

### Reporting county E911 excise tax

Beginning with the January 2011 excise tax return due in February, service providers (local exchange companies, radio communications service companies, and interconnected VoIP service companies) must report county E911 excise taxes to the Department of Revenue. Each service provider reports the number of switched access lines, radio access lines, and interconnected VoIP service lines provided to subscribers per month for each applicable county.

For purposes of radio access lines and interconnected VoIP service lines, the “place of primary use” determines which county’s E911 excise tax applies. “Primary place of use” means the street address where the subscriber’s use of the radio access line or interconnected VoIP service line occurs, which must be:

- the residential street address or primary business street address of the subscriber, and
- in the case of radio access lines, within the licensed service area of the home service provider.

The Department will design a telephone tax addendum to the excise tax return for reporting the following taxes:

- County E911 excise taxes
- State E911 excise taxes
- Telecommunications Relay Service (TRS) tax
- Washington Telephone Assistance Program (WTAP) tax

### Excise taxes apply to VoIP

Effective January 1, 2011, state and county E911 excise taxes are extended to interconnected VoIP service lines.

“Interconnected VoIP service lines” are lines that are assigned by a VoIP provider to a VoIP customer and offer an active telephone number or successor dialing protocol.

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These lines have inbound and outbound calling capability which can directly access 911 when the VoIP service customer has a place of primary use in the state.

The state tax rate will be 25 cents per month per line and the county rate may be imposed at up to 70 cents per month for each interconnected VoIP service line. The tax applies only to the number of VoIP lines on an account that are capable of simultaneous unrestricted outward calling to the public switched telephone network.

“Interconnected VoIP service” means a service that:

- (1) Enables real-time, two-way voice communications;
- (2) Requires a broadband connection from the user’s location;
- (3) Requires Internet protocol-compatible customer premises equipment (CPE); and
- (4) Permits users generally to receive calls that originate on the public switched telephone network and to terminate calls to the public switched telephone network.

**E911 excise tax rates**

**State rates**

For 2011, the state E911 excise tax rate increases to 25 cents per month for each switched access line and radio access line. For each year after, the Washington State Utilities and Transportation Commission must determine the state E911 excise tax rate by October 31 for the year that follows for:

- Switched access lines
- Interconnected VoIP service lines

Note: The rate for radio access lines is fixed at 25 cents per month.

**County rates**

The following table contains the monthly E911 excise tax rates for each switched access line, radio access line, and interconnected VoIP service line:

<b>County</b>	<b>Switched Access Line Rate</b>	<b>Radio Access Line Rate</b>	<b>Interconnected VoIP Service Line Rate</b>
Clark	50 cents	50 cents	50 cents
Yakima	50 cents	50 cents	Not imposing tax on VoIP service lines
All other counties	70 cents	70 cents	70 cents

**Businesses not registered**

Businesses that collect and remit state and county E911 excise taxes must be registered with the Department of Revenue. To register, businesses must complete a Master Business Application which can be found on the Department of Licensing website at [dol.wa.gov](http://dol.wa.gov).

**For more information**

Visit the Department’s website at [dor.wa.gov](http://dor.wa.gov) or contact the Department’s Telephone Information Center at 1-800-647-7706.