911 SERVICE CHARGE FOR PREPAID WIRELESS TELECOMMUNICATIONS BULLETIN

Reflecting Changes Made in the 2025 Regular Session of the North Carolina General Assembly

Issued by:

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PREFACE

The 911 Service Charge for Prepaid Wireless Telecommunications Service Bulletin presents the Secretary of Revenue's interpretation of the North Carolina 911 service charge for prepaid wireless telecommunications service laws. This bulletin does not cover all interpretations and applications of the 911 service charge for prepaid wireless telecommunications service laws.

The 911 Service Charge for Prepaid Wireless Telecommunications Service Bulletin is based on the laws in effect as of January 1, 2026.

You must consider all facts and circumstances when applying the information contained in these bulletins to particular transactions or situations. Additional changes may result from legislative action, court decisions, and rules amended or adopted under Chapter 150B of the North Carolina General Statutes after these bulletins are published. To the extent there is any change to a statute, administrative rule, or new case law subsequent to the date of this publication, the provisions in these bulletins may be superseded or voided.

To obtain specific binding tax advice refer to the Department's Written Determination Policy.

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SCB 1 911 SERVICE CHARGE FOR PREPAID WIRELESS TELECOMMUNICATIONS SERVICE

1-1 DEFINITIONS

For purposes of this SCB, the following terms and phrases have the following meanings:

1. **"Prepaid wireless telecommunications service"** – A wireless telecommunications service that allows a caller to dial 911 to access the 911 system, which service must be paid for in advance and is sold in predetermined units or dollars of which the number declines with use in a known amount.

2. **"Retail transaction"** – The sale of prepaid wireless telecommunications service for any purpose other than resale.

1-2 IMPOSITION AND LIABILITY FOR COLLECTING AND REMITTING THE SERVICE CHARGE

A. Service Charge Imposed

A 911 service charge in the amount of fifty-five cents (55¢) is imposed on each prepaid wireless telecommunications service retail transaction occurring in this State. A retailer of prepaid wireless telecommunications service shall collect the 911 service charge for prepaid wireless telecommunications service from the consumer on each retail transaction. The 911 service charge for prepaid wireless telecommunications service is in addition to the sales tax imposed on the sale or recharge of prepaid telephone calling service. Examples of prepaid wireless telecommunications service transactions subject to the service charge include a sale of a prepaid wireless phone card, a sale of a prepaid wireless phone, or the recharge of either a prepaid wireless phone card or a prepaid wireless phone.

B. Liability for Collecting and Remitting the Service Charge

The 911 service charge for prepaid wireless telecommunications service is the liability of the consumer and not of the retailer or of any provider, except that the retailer shall be liable for remitting to the Department of Revenue all 911 service charges for prepaid wireless telecommunications service that the retailer collects.

A retailer of prepaid wireless telecommunications service shall collect the 911 service charge for prepaid wireless telecommunications service from the consumer. The amount of the 911 service charge for prepaid wireless telecommunications service must be separately stated on an invoice, receipt, or other reasonable notification provided to the consumer by the retailer at the time of the retail transaction.

Each retail sale of a prepaid wireless telecommunications service is subject to the service charge. For example, a retail sale of three separately-packaged prepaid wireless phone cards to one customer is subject to three (3) 911 service charges for each prepaid wireless phone card for a total 911 service charges of one dollar and sixty-five cents ($1.65). A retail sale of a single package that includes three prepaid wireless phone cards to a customer for one amount is subject to one 911 service charge in the amount of fifty-five cents (55¢).

C. Administrative Allowance

A retailer may deduct and retain from the 911 service charges it collects from consumers and remits to the Department of Revenue an administrative allowance of five percent (5%).

D. Sales for Resale

A purchaser of prepaid wireless telecommunications service for resale is required to issue Form E-595E, Streamlined Sales and Use Tax Agreement Certificate of Exemption, or the same data elements required on a certificate to the retailer in order for the purchase to be exempt from sales and use tax and the 911 service charge.

1-3 LONG DISTANCE CALLING CARD

A long-distance calling card is not prepaid wireless telecommunications service and is not subject to the 911 service charge.

1-4 REPORTING THE SERVICE CHARGE

The 911 service charges are to be reported to the Department on Form E-500L, 911 Service Charge Prepaid Wireless Telecommunications Return, on the due date for the retailer's filing frequency. The due dates for the filing frequencies are as follows:

1. Monthly. The service charges collected in a month are due by the 20th day of the month following the calendar month covered by the return.

2. Semiannually. The service charges collected in the first six months of the calendar year are due by July 20. The service charges collected in the second six months of the calendar year are due by January 20.

1-5 ADMINISTRATION OF THE SERVICE CHARGE

Administration, auditing, requests for review, making returns, collection of tax debts, promulgation of rules and regulations by the Secretary of Revenue, additional taxes and liens, assessments, refunds, and penalty provisions of Article 9 of Chapter 105 of the North Carolina General Statutes apply to the collection of the 911 service charge for prepaid wireless telecommunications service. An audit of the 911 service charge for prepaid wireless telecommunications service shall only be conducted in connection with an audit of the sales and use taxes imposed by Article 5 of Chapter 105 of the North Carolina General Statutes. Underpayments and overpayments shall be subject to the same interest rate as imposed for taxes under G.S. § 105-241.21. Excessive and erroneous collections of the service charge are subject to G.S. § 105-164.11.

1-6 SOURCING

The 911 service charge for prepaid wireless telecommunications service is sourced in accordance with the general sourcing provisions pursuant to G.S. § 105-164.4B.

1-7 CHANGE IN AMOUNT OF 911 SERVICE CHARGE

The North Carolina 911 Board establishes the amount of the 911 service charge. The North Carolina 911 Board must notify the Department of a change in the amount of the 911 service charge at least 90 days before the change becomes effective. The Department will provide notice of the change on its website at least 45 days before the effective date of the change. The effective date of a change in the 911 service charge is July 1.