

## **Communications, Energy, and And Public Utilities Committee**

### **CS/CS/CS/HB 887 — Communications Services Tax**

by State Affairs Committee; Finance and Tax Committee; Energy and Utilities Subcommittee; and Rep. Dorworth (CS/CS/SB 1198 by Budget Committee; Communications, Energy, and Public Utilities Committee; and Senator Bogdanoff)

The bill requires that each provider of communications services compute the tax due on the sale using a rounding algorithm that carries to the third decimal place and rounds up to a whole cent whenever the third decimal place is greater than four. A provider may calculate the tax on individual taxable items on an invoice or on all taxable items on the invoice; however, the total tax amount must be at least the amount that would have been obtained if the rounding algorithm had been applied to the aggregate tax amount computed on all taxable items on the invoice. The local and state tax must be calculated separately.

The bill is intended to be remedial in nature and to apply retroactively. It does not provide a basis for an assessment of any tax not paid or create a right to a refund or credit of any tax paid before July 1, 2011.

If approved by the Governor, these provisions take effect July 1, 2011.

*Vote: Senate 39-0; House 113-0*

**Communications, Energy,  
And Public Utilities Committee**

**CS/CS/HB 1231 — Telecommunications**

by State Affairs Committee; Energy and Utilities Subcommittee; and Reps. Horner and Williams, A. (CS/CS/SB 1524 by Commerce and Tourism Committee; Communications, Energy, and Public Utilities Committee; and Senator Simmons)

The bill completes retail deregulation of wireline telecommunication services by repealing statutes that: provide for price regulation, including rate caps; require companies to offer a flat-rate pricing option for basic local telecommunications service; and authorize the Public Service Commission to engage in consumer protection activities, including service quality regulation.

It maintains the role of the Public Service Commission in resolving wholesale disputes between service providers and consolidates these statutes.

It maintains Lifeline and Link-Up and creates authority for the Public Service Commission to inform customers of these programs.

If approved by the Governor, these provisions take effect July 1, 2011.

*Vote: Senate 39-0; House 110-4*