



Registration Available December 21, 2015 for Sellers of Prepaid Wireless Products and Services

Beginning January 1, 2016, sellers of prepaid wireless products and services are required to collect the new Prepaid Mobile Telephony Services (MTS) surcharge from their customers at the time of the sale and pay those amounts to the Board of Equalization (BOE). Sellers may register online for the new prepaid MTS account beginning December 21, 2015.

Who must register?

If you sell prepaid wireless products and services at retail, in transactions occurring in this state, you must register with the BOE as a prepaid MTS seller, even if you have a seller's permit. The prepaid MTS account is separate from your seller's permit account.

Please note: Telecommunication and VoIP service providers/suppliers that sell prepaid MTS products directly to consumers are considered "direct sellers" for purposes of the prepaid MTS surcharge and different registration and reporting requirements apply. See our online industry guide at www.boe.ca.gov/industry/prepaid_mts_surcharge.html#direct.

How do I register?

Starting **December 21, 2015**, go to our website at www.boe.ca.gov and from the Home page, click the [New Registration](#) link (under the **Log in** link), then select *Register a business activity with BOE* and follow the prompts.

What is the new prepaid MTS surcharge?

It is a new surcharge that replaces multiple surcharges and fees imposed upon consumers prior to January 1, 2016. The surcharge is imposed as a percentage of the sales price of prepaid wireless cards and services sold in retail transactions occurring in this state and collected by the seller at the time of the sale.

What does the new prepaid MTS surcharge apply to?

The prepaid MTS surcharge applies to all sales of wireless services and plans that customers purchase upfront prior to using the service, such as prepaid wireless cards or minutes, and prepaid wireless refill or top-off cards. The retail sales of prepaid wireless products and services occurring in California, including when sold to a known California customer, are subject to the prepaid MTS surcharge, *regardless of where the prepaid wireless minutes/time are actually used.*

What is the surcharge rate?

For the period January 1, 2016, to December 31, 2016, the prepaid MTS surcharge rate is 9.26 percent, *plus* any local charges that may apply for the city or county where the sale occurs. No later than December 1, 2015, you will be able to find your local surcharge rate by visiting the MTS Surcharge section on the Special Taxes and Fees Tax Rate webpage at www.boe.ca.gov/sptaxprog/tax_rates_stfd.htm.

Where can I get more information?

Please see our online Prepaid Mobile Telephony Services Surcharge guide at www.boe.ca.gov/industry/prepaid_mts_surcharge.html. Or, call our Customer Service Center at 1-800-400-7115 (TTY:711) Monday through Friday, 8:00 a.m. to 5:00 p.m. (Pacific time), excluding state holidays.

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