



Emergency Telephone Users (911) Surcharge and Prepaid 911 Surcharge

This publication is designed to provide basic information about California's Emergency Telephone Users (911) Surcharge and Prepaid 911 Surcharge Programs to service suppliers and direct sellers. Please note: If you sell Prepaid Mobile Telephony Services (MTS), but are not a telecommunications service supplier or direct seller, please visit the "Sellers" tab on the [Prepaid Mobile Telephony Services Surcharge Industry Guide](#).

If you have any questions that are not answered in this publication or the Industry Guide, please visit our website at www.boe.ca.gov, or contact us at 1-800-400-7115 (TTY:711).

Who must register?

Every service supplier in this state, and every direct seller making sales of prepaid MTS in this state, are required to register with the California State Board of Equalization (BOE).

A "service supplier" includes any:

- Person supplying intrastate telephone communication services (which includes all local or toll telephone services where the points of origin *and* destination of the service are all located in this state), according to California intrastate tariffs to any user in this state.
- Person supplying any intrastate telephone communications services for whom the [California Public Utilities Commission \(CPUC\)](#), by rule or order, modifies or eliminates the requirement for that person to prepare and file California intrastate tariffs.
- Person supplying [Voice over Internet Protocol \(VoIP\)](#) services to any service user in this state and providing access to the 911 emergency system by utilizing the digits 9-1-1. (*Please note: The*

surcharge does not apply to charges for VoIP service where the point of origin or destination is outside of California.)

A "direct seller" includes any:

- Prepaid MTS provider or service supplier that sells prepaid MTS directly to a prepaid consumer for any purpose other than resale in the regular course of business. This includes retailers that are a member of the same commonly controlled group or same combined reporting group.

Additionally, every California consumer who purchases intrastate telephone, VoIP, or prepaid MTS and who does not pay the 911 surcharge or the Prepaid 911 surcharge to a service supplier or direct seller, is liable for the 911 surcharge or Prepaid 911 surcharge until it has been paid, as applicable, to the state. Once the consumer pays the surcharge to the registered seller, he or she is no longer liable.

If you have questions, please contact 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.

How do I register?

You can [apply for an account](#) online at www.boe.ca.gov.

Do I need to register with the California Public Utilities Commission?

You must meet the CPUC's application or registration requirements before you can legally begin providing telecommunication services in California. For information regarding CPUC requirements, visit their website at www.cpuc.ca.gov, or call 1-415-703-2782.

What am I required to do?

You are required to collect the 911 surcharge and/or Prepaid 911 surcharge, as applicable, from your customers, and file a monthly, quarterly, or yearly return. The return is due on or before the last day of the second month, following each reporting period. For example, returns with a reporting period ending in December 2016 are due February 28, 2017. Online filing is available by logging in at www.boe.ca.gov with your User ID or Express Login code. You are able to file and pay the surcharges due in one transaction when you file online. Direct sellers of prepaid MTS are required to file returns electronically. Payment must be submitted to the BOE, and postmarked on or before the due date. For additional payment options visit our website at www.boe.ca.gov and click on the [Make a Payment](#) tab. You must file a return even if you have no surcharges to report. Additionally, other forms may need to be submitted with your return to meet certain reporting requirements. For more information, visit the Emergency Telephone Users Surcharge and Prepaid 911 Surcharge [Frequently Asked Questions \(FAQs\)](#) webpage.

Am I required to make my payment electronically?

You are required to pay the surcharge(s) due by Electronic Funds Transfer (EFT) if your liability averages \$20,000 or more per month. When you file and pay online by ACH Debit, it satisfies the requirement to file your return and pay via EFT. If you are not required to make payments through EFT, you can do so on a voluntary basis. You must submit a [BOE-555-ST, Authorization Agreement for Electronic Funds Transfer](#) form to enroll in EFT. In addition to paying the surcharge(s) by the due

date, you must also file the return on or before the due date. If no amount is owed, a return must still be submitted on or before the due date. Penalty charges will be imposed for a late return, failure to pay by EFT when required, or a late fund transfer. For more information about EFT payments, visit our website at www.boe.ca.gov, then click the [Make a Payment](#) tab.

What are the surcharge rates?

The [Governor's Office of Emergency Services \(OES\)](#) is required to determine the annual 911 surcharge rate by October 1 and the Prepaid 911 surcharge rate by October 15 of each year. Following notification by the OES, the BOE will send a notice of the rates to service suppliers and direct sellers prior to January 1 of the following year. [Current and prior rates](#) are available online for the Emergency Telephone Users Surcharge and Prepaid 911 Surcharge.

How are revenues used?

The 911 and Prepaid 911 surcharges fund more than 500 official public safety answering points (PSAPs). PSAPs are primarily law enforcement agencies such as local police, sheriff, and fire departments. The surcharge revenues pay for the network and infrastructure that support 911 services, ongoing support, and updating equipment, the network, and the database information that appears at each site when someone calls "911."

How long do I need to keep records?

All service suppliers and direct sellers must maintain and make available their records for examination on request by the BOE. All required records must be kept for at least four years.

911 Surcharge Reporting Information Only

May I use a billing agent?

Yes. A billing agent may submit a bill to a service user on behalf of the service supplier, reseller, or billing aggregator.

What is a billing aggregator?

A billing aggregator is any person engaged in the business of facilitating the billing and collection of charges for intrastate telephone communication services. The billing aggregator summarizes the information about telephone communication services provided by one or more service suppliers, and submits the combined information to one or more local exchange carriers for billing and collection. Billing aggregators who file on behalf of multiple service suppliers on their own account have additional reporting requirements.

For more information, visit the Emergency Telephone Users Surcharge and Prepaid 911 Surcharge [FAQs](#) webpage.

Which mandated charges are not subject to the 911 Surcharge?

The following charges are not subject to the 911 Surcharge:

- Access Recovery Charge
- Universal Service Fund Charge (USF)
- Universal Lifeline Telephone Service (ULTS)
- California High-Cost Fund-A and Fund-B (CHCF-A & CHCF-B)
- California Teleconnect Fund (CTF)
- California Relay Service and Communications Devices Fund (CA Relay/Comm), also known as the Deaf and Disabled Telecommunication Program (DDTP)
- California Advanced Service Fund (CASF)

The only CPUC mandated charge subject to the 911 surcharge is the [CPUC Reimbursement Fee](#) (PUC User Fee).

When am I required to prorate recurring fixed flat-rate monthly charges that are both intrastate and interstate in nature?

Certain fixed flat-rate monthly charges that are both intrastate and interstate in nature must be prorated using a reasonable and verifiable basis, to determine the amount of the interstate charge not subject to the 911 surcharge. Revenue and Taxation Code section [41020\(b\)](#) of the Emergency Telephone User's Surcharge Law provides multiple reasonable and verifiable methods for calculating the interstate revenue portion not subject to the surcharge.

A monthly recurring charge must be prorated, using a reasonable and verifiable method, if it is charged on both intrastate and interstate services provided by the service supplier and meets all three of the following criteria:

- The monthly charge is imposed by a service supplier under its billing plan and must be paid by its customers each month as a precondition to be able to make any long distance calls, whether intrastate, interstate, or international; and
- The charge is billed to a customer in the same amount each month, whether or not the customer makes any long distance calls during a billing period, and whether all long distance calls made during the billing period are intrastate or interstate or some combination of each; and
- The charge is set forth in the service supplier's federal tariffs, filed with the [Federal Communications Commission](#), not with the CPUC.

Please note: Monthly recurring flat charges, historically associated with the provision of local telephone service, are not subject to proration.

How do I calculate the interstate portion of my charges?

A service supplier is permitted to choose between two (or three for VoIP service suppliers) optional methods for calculating the **interstate** portion of its charges. This is done by making a selection on the [BOE-501-TEA, Emergency Telephone Users Surcharge—Exempt Interstate Revenue Election](#) form, and submitting it to the BOE.

The service supplier may elect to use one of the optional methods for each type of service it provides. *Once the choice is made, the service supplier must use that method for that service for at least one calendar year before making a change in its election.* The form does not need to be renewed annually; the method you choose will remain in effect until a revised form is submitted and another method is elected.

Please note: Service suppliers who do not submit an election form are required to report using the books and records method.

Taxpayers' Rights Advocate

If you would like to know more about your rights as a tax or feepayer, or if you have been unable to resolve a problem through normal channels (for example, by speaking to a supervisor), please see [publication 70, Understanding Your Rights as a California Taxpayer](#), or contact the [Taxpayers' Rights Advocate](#) for help at (toll-free) 1-888-324-2798 or 1-916-324-2798.

The Advocate's fax number is 1-916-323-3319.

You also may write to:

Taxpayers' Rights Advocate, MIC:70
State Board of Equalization
PO Box 942879
Sacramento, CA 94279-0070

Note: This publication summarizes the law and applicable regulations in effect when the publication was written. However, changes in the law or in regulations may have occurred since that time. If there is a conflict between the text in this publication and the law, decisions will be based on the law and not on this publication.

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