



Legislation Details (With Text)

File #: 15-623 **Version:** 1 **Name:** Update to Emergency Communication System Access Tax (911 Tax) to update rate Single Access Line on Prepaid Wireless Services

Type: Staff Report **Status:** Filed

On agenda: 11/16/2015 **In control:** City Council

Enactment date: **Final action:** 11/16/2015

Enactment #:

Title: Staff Report for Ordinance Amending Section 2-18-210 of the San Leandro Municipal Code Relating to the Temporary Reduction of the Emergency Communication System Access Tax (9-1-1) Percentage Rate of 3.3% for Single Access Lines on Prepaid Wireless Services

Sponsors: David Baum
Finance Director

Indexes:

Code sections:

Attachments:

Date	Ver.	Action By	Action	Result
11/16/2015	1	City Council	Received and Filed	

Staff Report for Ordinance Amending Section 2-18-210 of the San Leandro Municipal Code Relating to the Temporary Reduction of the Emergency Communication System Access Tax (9-1-1) Percentage Rate of 3.3% for Single Access Lines on Prepaid Wireless Services

SUMMARY AND RECOMMENDATIONS

Staff recommends City Council approve an ordinance amending the Emergency Communication System Access Tax (9-1-1) that temporarily reduces the single access line tax on prepaid wireless services to include the percentage rate of 3.3%, and this temporary rate shall remain unchanged until January 1, 2020.

BACKGROUND AND ANALYSIS

On September 8, 2015, City Council approved the collection of UUT and 9-1-1 tax on prepaid wireless services that will begin January 1, 2016. City Council also approved a contract with the State Board of Equalization (BOE) in order to receive UUT and 9-1-1 tax imposed on consumers of prepaid wireless phone service that is scheduled to sunset January 1, 2020 (time needed for evaluation of program).

In accordance with the Local Prepaid Mobile Telephony Services Collection Act (AB 1717) a collection process to collect the local access line charge on prepaid wireless will be effective January 1, 2016. On the advice of the City’s consultant, MuniServices, LLC, the City needs to temporarily reduce the local access line charge for prepaid wireless from \$2.32 to \$1.65 for the period of January 1, 2016 to January 1, 2020. This temporary reduction of \$1.65 per single access line converts to a 3.3% rate that must be reflected in the San Leandro Municipal Code.

The new rate is expected to generate \$200,000 in annual 9-1-1 tax revenue on prepaid wireless phone purchases.

Previous Actions

- Ordinance No. 2015-010 Amending Section 2-18-210 of the San Leandro Municipal Code Relating to the Temporary Reduction of the Emergency Communication System Access Tax (911 Tax) for Single Access Lines on Prepaid Wireless Services presented to City Council on September 8, 2015

ATTACHMENT

None.

PREPARED BY: Mary Ann Perini, Budget and Compliance Manager, Finance Department