

State of New Hampshire

Division of Emergency Services & Communications



E911 Surcharge on Prepaid Commercial Mobile Radio Service (CMRS) Frequently Asked Questions

1. What does the new law require, in a “nutshell”?

Generally, anyone who sells prepaid cell phone service must collect the e911 surcharge, currently \$0.75 per retail transaction, from the purchaser and remit the collected surcharge to the Bureau on a monthly basis.

2. What is CMRS?

Prepaid CMRS is essentially prepaid wireless or cell phone service.

3. As a seller of prepaid CMRS, when do I have to collect the surcharge?

With some exceptions, if you sell prepaid CMRS in a “retail transaction sourced to New Hampshire,” you have to collect the surcharge from the purchaser at the time of purchase. Examples of retail transactions where you must collect the e911 surcharge include:

- The sale of a prepaid wireless phone card loaded with a dollar amount of wireless service (e.g. a \$50.00 prepaid wireless “recharge” card);
- The sale of a prepaid wireless phone card loaded with a set number of minutes (e.g. a prepaid wireless “recharge” card with 100 minutes of service);
- The sale of a wireless device that comes loaded with more than 10 minutes of prepaid wireless service;
- The sale of a wireless device that comes loaded with more than \$5.00 worth of prepaid wireless service;
- The sale of prepaid authorization codes that allow customers to add additional minutes of service to their prepaid wireless device.

4. When is a retail transaction “sourced to New Hampshire?”

It is a purchase of prepaid CMRS for any purpose except resale, when:

- a. The transaction occurs in person at a seller’s location in New Hampshire; or
- b. If not, when the purchaser provides a New Hampshire delivery address for a physical item that evidences the purchase, such as a card; or
- c. If not a. or b., when the purchaser in good faith gives a New Hampshire address during the completion of the sale, including the address associated with the method of payment if no other address is available; or
- d. If not a., b., or c., when the purchaser’s phone number is associated with a postal zip code, telephone area code, or location within New Hampshire.

5. My store only sells a few prepaid wireless cards each week. Do I have to collect the surcharge?

Sellers having less than 150 retail transactions in any calendar quarter do not have to collect and remit the e911 surcharge. In order to qualify for this exemption, you must maintain books and records showing that your store location had less than 150 retail transactions in the calendar quarter, and you must submit a Quarterly

Exemption Certification Form along with the invoices, receipts, or other documentation proving that you are below the threshold, within 15 days after the end of the quarter. If your store has 150 or more transactions in any calendar quarter, you are required to remit the surcharge on all of the retail transactions in that quarter, even if you have not collected the surcharge at the time of those transactions.

6. I sell prepaid phones that come loaded with 10 minutes or less of prepaid wireless service or \$5.00 or less worth of prepaid wireless service. Do I have to collect the surcharge on these transactions?

No, there is an exemption for phones that come loaded with 10 minutes or less of prepaid wireless service or \$5.00 or less worth of prepaid wireless service. When you sell phones with prepaid wireless service below those minimal amounts, you may elect not to impose the surcharge. However, if you do collect the surcharge on these sales, you must remit the surcharge to the Bureau of Emergency Communications.

7. As a seller of prepaid CMRS, do I always have to remit all of the collected surcharge to the Bureau?

No. Sellers are allowed to keep 3% of the surcharge they collect.

8. As a seller of prepaid CMRS, how do I collect the surcharge from the purchaser?

The surcharge to be collected is a flat amount per transaction, currently \$0.75, regardless of the amount of service being purchased. The amount of the surcharge must be separately stated on a receipt or similar document given to the purchaser, or otherwise disclosed to the purchaser. However, unless an exception applies, you will still be responsible to remit surcharge to the Bureau even if you have not separately stated the amount of the surcharge on a receipt or similar document given to the purchaser.

9. As a seller of prepaid CMRS, how and when do I remit surcharge?

On a monthly basis, within 30 days after the last day of each month, you must complete and submit a Prepaid CMRS Surcharge Report form along with your surcharge payment, to the Bureau of Emergency Communications, c/o DOS Business Office, 33 Hazen Drive, Concord, NH 03305.

10. As a seller of prepaid CMRS, what else do I have to do?

You should review the law and rules for yourself, but two other things you must do are:

- a. Register as a seller by completing and submitting to the Bureau of Emergency Communications, 33 Hazen Drive, Concord, NH 03305, a NH Prepaid Commercial Mobile Radio Service Seller Registration Form no later than 30 days after the end of the month in which you complete your first retail transaction sourced to New Hampshire; and
- b. If you are a seller that remits surcharge to the Bureau, you must keep records (1) to establish the amounts of surcharge collected and remitted, (2) to establish eligibility for exceptions or exemptions from collecting surcharge, and (3) to establish any information required to be shown on required forms. Records must be kept for 3 years or longer at the Bureau's request.

11. If I want to read the law and the rules for myself, where can I find them?

The Bureau strongly recommends that you read the law and rules for yourself, as these FAQs do not either change or take the place of the requirements of the law and the rules; these FAQs are provided for your convenience only. The law and rules can be found at:

nh.gov/nh911

12. Where can I find the forms mentioned in these FAQs?

nh.gov/nh911