



STATE OF DELAWARE
DEPARTMENT OF FINANCE
DIVISION OF REVENUE
CARVEL STATE BUILDING
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DIVISION OF REVENUE

TECHNICAL INFORMATION MEMORANDUM 2001-8

DATE: January 7, 2002 (Revised Draft)

SUBJECT: 911-ENHANCED EMERGENCY REPORTING SYSTEM

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Section 10101 of Title 16 of the Delaware Code, effective January 1, 1995, created a special fund designated as the 911 Emergency Reporting System Fund to provide a source of funds to reimburse county and local governments in the State of Delaware for costs associated with the 911- Emergency Reporting Systems. Funding was provided by a monthly surcharge of up to 50 cents per month on all subscribers per subscription to residential local exchange telephone service in each county within the State of Delaware. The surcharge was not applied to business or wireless (cellular) telephone services.

House Bill 283 of the 141st General Assembly of the State of Delaware amended Section 10101 of Title 16 of the Delaware Code to create the 911-Enhanced Emergency Reporting System that will ensure that both the 911 call and the information identifying the telephone number of the caller and associated geographic location of the caller are automatically and simultaneously forwarded to the appropriate public safety answering point.

The amendment provides for adequate funding of an effective and integrated E-911 System by replacing the current surcharge imposed on wireline residential subscribers with one imposed on all wireline and wireless residential and business subscribers in the State of Delaware. This Act improves the equity of funding an integrated emergency 911 system by spreading the cost of such a system across all users.

The Fund shall be funded by means of a monthly surcharge of 60 cents per month imposed by providers on residential and business telephone service subscribers of telecommunications services in the State of Delaware as follows:

Residential Telephone Service

The residential telephone monthly service surcharge shall be imposed by each provider providing such service on all Delaware residential subscribers per residence exchange access line or per Basic Rate Interface (BRI) ISDN arrangement, where the residence exchange access service is provided by a BRI ISDN arrangement, at the rate of 60 cents per access line. The surcharge shall not be applied to residence exchange access lines provided to Lifeline subscribers.

Business Telephone Service

The business telephone monthly service surcharge shall be imposed by each provider providing such service on all Delaware business subscribers per business exchange access line and trunk or per BRI ISDN arrangement, where the business exchange access service is provided by a BRI ISDN arrangement, at the rate of 60 cents per access line. Each Centrex business access line shall be charged a monthly surcharge of 60 cents per Centrex System that has 8 or fewer lines. A Centrex business access line system containing 9 or more lines shall be charged a monthly surcharge of 67 cents per line. Each Primary Rate Interface ISDN system shall be charged a rate equal to five times the surcharge

“Business Telephone Service” means telephone access provided to all customers except where the use of such service is by individuals at their place of abode. By way of example and not by limitation, telephone access provided to the following is considered “Business Telephone Service”: the State of Delaware, its agencies, (including public school districts), its political subdivisions, the University of Delaware, Delaware State University, Delaware Technical and Community College, Delaware Transportation Authority, Delaware Solid Waste Authority, the Delaware River Bay & Authority, and non-profits entities including religious, charitable, educational, fraternal, business leagues, chambers of commerce, clubs organized for pleasure or recreation, merchants associations, fire companies and, civic leagues.

Wireless Telephone Service

Each wireless provider shall impose the monthly surcharge at the rate of 60 cents per month on all residential and business wireless service customers for each wireless telephone number for which they are billed by such provider. The surcharge is imposed on all residential and business wireless customers as defined above whose “Place of Primary Use” as the term is defined in the “Mobile Telecommunications Sourcing Act, Public Law 106-252” is within the State of Delaware.

Effective Date

Each provider required to impose the monthly surcharge shall state the surcharge as a clearly identifiable, separate item on all subscriber invoices rendered after January 1, 2002

Exemptions

The surcharges collected by a provider shall not be subject to taxes or charges levied by the State of Delaware or any political subdivision thereof nor shall the surcharges collected be considered revenue of the provider for any purpose. The surcharge does not apply to any wholesale services, Lifeline subscribers, or the U.S. Government.

Reporting Form

Form LM11-0102; "Telecommunications Services Surcharge Tax Return" and supporting worksheet are attached. The worksheet is available as an Excel document by contacting erogers@state.de.us.

Due Date

All surcharges collected by the providers shall be remitted to the Delaware Division of Revenue on or before the 15th day of each month for the subscriber service fees billed to the customer for the immediately preceding month. The provider collecting the surcharges shall not be responsible for uncollectable surcharges. The provider collecting the surcharges shall be entitled to recover the actual incremental costs of billing, collecting and remitting the surcharges. The monthly remittance to the Delaware Division of Revenue by the provider may be reduced by the additional incremental expense incurred by the provider that is in addition to the normal expense of billing and collecting the charges of the provider's normal telephone service.

Distribution of Surcharge to Counties

Each county within the State of Delaware shall receive an amount from the Fund equal to 50 cents per month for each wireline residential customer within such county, less any uncollectable accounts and the actual and incremental expenses of billing, collecting and remitting the surcharge within the same county, for which the monthly surcharge is collected. Or, if greater, an amount received by that county in calendar year 2000 from telephone providers from E-911 surcharges. Disbursements from the Fund shall be made to the counties by the 25th day of the month in which the wireline residential surcharges are deposited into the Fund by the Division of Revenue.



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