



State of Wisconsin • DEPARTMENT OF REVENUE

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August 26, 2009

Dear Sir or Madam:

This letter is being sent to inform you that you may be required to register to collect and remit the new police and fire protection fee. To determine if you are required to register to collect the police and fire protection fee, please see “Fees for Prepaid Transactions” and “Fees for Assigned Telephone Numbers,” below.

Pursuant to 2009 Wis. Act 28, and effective September 1, 2009, a police and fire protection fee is imposed on two types of transactions:

1. A fee of \$0.38 on each retail transaction for prepaid wireless telecommunications plans; and
2. A monthly fee of \$0.75 on each voice communications connection with an assigned telephone number (including landline, cellular line, and a communication service provided via a VoIP connection). If a communications provider provides multiple connections to a subscriber, the fee will be \$0.75 for each of the first 10 connections and one additional fee of \$0.75 for each 10 additional connections per billed account (i.e., \$0.075 fee for each connection over 10).

The Department of Revenue has developed a new web page specifically for the police and fire protection fee that will continue to be updated as information becomes available. Please continue to check this new web page at www.revenue.wi.gov/html/pfprofee.html for information about the fee.

Although the Department of Revenue will be administering the \$0.38 per-transaction fee on retail transactions for prepaid wireless telecommunications plans and the Public Service Commission will be administering the \$0.75 monthly fee on all communications service connections with assigned telephone numbers, a mechanism is currently being developed to report both fees on one electronic form with the Department of Revenue.

Registration

Every communications provider and retailer required to impose the police and fire protection fee must register with the Department of Revenue to report and remit the fees. (To determine who is required to impose the police and fire protection fees, please see “Fees for Prepaid Transactions” and “Fees for Assigned Telephone

Numbers,” below.) The fees will be reported to the Department of Revenue on an electronic return on a monthly basis. Returns will be due and payable on the last day of the month following the month in which the fees were collected (the first return is due on the last day of October 2009).

Also, please see the Frequently Asked Questions on the Public Service Commission’s web site at <http://psc.wi.gov/hottopics/documents/PoliceFireProtectionFAQs.pdf>.

Fees for Prepaid Transactions

Communications providers and other retailers who sell prepaid wireless telecommunications plans, such as a \$15 card for a prepaid wireless account, are subject to the fee on **retail transaction** for **prepaid wireless telecommunications plans**.

A “retail transaction” includes the sale of a prepaid wireless telecommunications plan or service by a seller for any purpose other than resale.

“Prepaid wireless communications plan” means a plan for a wireless communications service that provides the right to utilize wireless voice service, is paid for prior to use and sold in predetermined dollar amounts whereby a number of units declines with use of a known amount.

Examples of retail transactions that are subject to the \$0.38 fee include:

- The sale of a wireless handset that is activated for use with a prepaid plan.
- The sale of additional prepaid minutes, a dollar amount, or days of use for an existing account that declines with usage, regardless of whether it is purchased at a retailer’s physical location, via the Internet, or via the telephone (e.g., a 200 minute card that extends the amount of use of a prepaid account).

Examples of transactions that are **not** subject to the \$0.38 fee include:

- Sales of handset accessories, such as batteries, chargers, phone covers, etc.
- Sales of ringtones.
- Sales of prepaid minutes by a communications provider to a retailer for resale.

A communications provider or a retailer may state the amount of the fee separately on a bill for the retail transaction, and if a communications provider or retailer does so, the communications provider or retailer must identify the fee as “police and fire protection fee.”

Fees for Subscription Communications Services

Communications providers are required to impose a monthly fee of \$0.75 on each communications service connection with an assigned telephone number, including landline, cellular line, and a communication service provided via a Voice over Internet Protocol connection.

If multiple communications service connections are provided to a subscriber, the communications provider shall impose a separate fee of \$0.75 on each of the first 10 connections and a \$0.75 fee for each 10 additional connections (i.e., a separate fee of \$0.075 for each additional connection) per billed account.

Therefore, lines 1 through 10 of an account will each be billed a \$0.75 police and fire protection fee. Lines 11 and on would be billed at \$0.075 each. (This is 1/10th of the \$0.75 charge.) For example:

10 lines = \$7.50 police and fire protection fee
11 lines = \$7.50 + \$0.075 = \$7.58 police and fire protection fee
12 lines = \$7.50 + \$0.150 = \$7.65 police and fire protection fee
21 lines = \$7.50 + \$0.825 = \$8.33 police and fire protection fee
30 lines = \$7.50 + \$1.500 = \$9.00 police and fire protection fee

If you have questions relating to the fee, please continue to check the following web sites:

Public Service Commission – www.psc.wi.gov
Department of Revenue - www.revenue.wi.gov/html/pfprofee.html

Public Service Commission
e-mail: PoliceAndFireFee@psc.state.wi.us
Phone: (608) 267-2893

Department of Revenue
e-mail: sales10@revenue.wi.gov
Phone: (608) 266-2776

Sincerely,

Janet K. Abrams
Staff Specialist