



JENNIFER M. GRANHOLM
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

ROBERT J. KLEINE
STATE TREASURER

October 2008

Notice to Service Suppliers and Resellers Collecting State, County and Emergency 9-1-1 Charges

As indicated in previous notifications issued by the Emergency Telephone Service Committee, the 9-1-1 charges required under Public Acts 164 and 165 of 2007 went into effect on July 1, 2008. All service suppliers or resellers operating in Michigan must bill and collect a **State 9-1-1** charge and a **County 9-1-1** charge from all service users, and/or an **Emergency 9-1-1** charge from prepaid customers. Use the enclosed forms and the guidelines below to remit, report, and calculate 9-1-1 charges.

Reporting and Remitting 9-1-1 Charges

Report and remit 9-1-1 charges within 30 days after the end of each quarter as detailed below. The first remittance is due by October 30, 2008.

State 9-1-1 and Emergency 9-1-1

Report charges collected for each quarter on the enclosed Form 4652, *State 9-1-1 and Emergency 9-1-1 Charges*. Remit charges directly to the Michigan Department of Treasury either by check or by Electronic Funds Transfer (EFT).^{*} A completed Form 4652 must be submitted even if remitting payments using EFT.

^{*} If you elect to pay using EFT, and you were not previously approved for EFT filing of the Commercial Mobile Radio Service (CMRS) Emergency Telephone Fee, complete and submit the enclosed Form 4103, *Electronic Funds Transfer (EFT) Application - 9-1-1 Charges*. Visit www.michigan.gov/biztaxpayments for additional information regarding EFT payments.

County 9-1-1

Report and remit charges directly to each individual county.

Calculating 9-1-1 Charges

State 9-1-1 Charge (MCL 484.1401a)

- All access points or lines for each service user must be billed monthly.
- Beginning July 1, 2008, the charge is \$.19 per access point or line and is subject to change annually beginning January 1, 2009.
- The first 10 access points or lines for each service user account are each billed at the full State 9-1-1 charge (\$.19).
- Any additional access points or lines for each service user account are billed at 1/10th of the State 9-1-1 charge (\$.019).
- Service suppliers may retain 2% of the State 9-1-1 charges to cover billing and collection costs.

Example: A monthly bill for a service user with one account that has 63 lines. Lines 1 -10 are billed at \$0.19 per line. Lines 11 – 63 are billed at \$.019 per line (1/10 of \$.19).

<u>Lines</u>	<u># of Access Points or Lines</u>	<u>Charge</u>	<u>Amount Due</u>
1-10	10	\$.19	\$1.90 (10 x \$.19)
11-63	53	\$.019	<u>\$1.01</u> (53 x \$.019)
Subtotal			\$2.91
Less 2% service supplier may retain			<u>\$0.06</u> (\$2.91 x .02)
Total amount to remit to Treasury			\$2.85

Emergency 9-1-1 Charge (MCL 484.1401c)

- Beginning July 1, 2008, charge is \$.85 for “prepaids” and is subject to change semi-annually on January 1 and July 1.
- Collected by all CMRS suppliers or resellers from each of its prepaid customers.
- CMRS suppliers or resellers must select either the Type I or Type II Calculation Method to calculate the Emergency 9-1-1 charge. Once a calculation method is selected, the CMRS supplier or reseller must use that same calculation method for all future Emergency 9-1-1 remittances.
- Type I Calculation Method uses the total earned prepaid revenue received for the period divided by \$50, then multiplied by the Emergency 9-1-1 charge. CMRS suppliers or resellers that choose the Type I calculation method **are not allowed** to retain 2% of the Emergency 9-1-1 charges for billing and collection costs.
- Type II Calculation Method uses the total number of active prepaid accounts per month multiplied by the Emergency 9-1-1 charge. CMRS suppliers or resellers that choose the Type II Calculation Method **are allowed** to retain 2% of the Emergency 9-1-1 charges for billing and collection costs.

Example: A company has quarterly prepaid revenue of \$60,000 and has 400 active accounts in July, 500 in August and 550 in September. Below is the calculation to determine how much the supplier or reseller would remit for the July – September quarter based on the two different calculation methods.

Type I Calculation Method

Total earned prepaid revenue for the period	\$60,000
Divide by \$50	\$1,200 (\$60,000 / \$50)
Multiply by the Emergency 9-1-1 charge (\$.85)	\$.85
Amount to remit to Treasury	\$1,020 (\$1,200 x \$.85)

Type II Calculation Method

Total active prepaid accounts during the quarter	1,450 (400 + 500 + 550)
Multiply by the Emergency 9-1-1 charge (\$.85)	\$.85
Total Emergency 9-1-1 Charges	\$1,232.50 (1,450 x \$.85)
Less 2% service supplier or reseller may retain	\$24.65 (\$1,232.50 x .02)
Amount to remit to Treasury – subtract 2% amount from the total charges	\$1,207.85 (\$1,232.50 - \$24.65)

County 9-1-1 Charges (MCL 484.1401b)

Contact the individual county or the phone number noted on page 3 for information.

For Additional Information

Forms and information regarding the State 9-1-1 or Emergency 9-1-1 charges are available on Michigan Department of Treasury's Web site at www.michigan.gov/taxes, or you may call (517) 636-4730. If you have questions regarding the County 9-1-1 charge, please contact the State of Michigan 9-1-1 Office at (517) 336-6414.

Enclosures