

**BEFORE THE WASHINGTON STATE
UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of Determining the) DOCKET UT-101464
Enhanced 911 Excise Tax)
) ORDER 01
)
)
) ORDER DETERMINING THE
) STATE ENHANCED 911 EXCISE
) TAX
.....)

BACKGROUND

- 1 Washington law currently imposes an “enhanced 911 excise tax” to be applied monthly to each switched access telephone line. Local exchange telecommunications companies providing or reselling these services are required to remit the tax to the Department of Revenue, which puts the funds in an account used to support 911 services. RCW 82.14B.030(3) imposes the tax on switched access lines. The level of the excise tax to be applied is based on the information and recommendation provided to the Washington Utilities and Transportation Commission (Commission) by the State 911 coordinator.

- 2 Under RCW 82.14B.030(5), the Military Department, Emergency Management Division (EMD), must recommend to the Commission the appropriate level of tax, based on a systematic cost and revenue analysis. EMD makes its recommendation annually by August 31, and the Commission must determine the level of the state enhanced 911 excise tax for the following year by the following October 31. *Id.* The amount of the tax is currently capped by statute at twenty cents per month for each switched access line. The tax applied only to switched access lines.

- 3 In 2010, the Legislature amended RCW 82.14B.030, to raise the statutory cap from twenty cents per month for each switched access line to twenty-five cents per month for each switched access line, effective January 1, 2011, for the calendar year ending December 31, 2011. In addition, the Legislature extended application of the enhanced 911 excise tax to interconnected Voice over Internet Protocol (VoIP) service lines, effective January 1, 2011. The rate may not exceed twenty-five cents per month for each interconnected VoIP service line, effective January 1, 2011. For calendar year 2011, the taxes imposed must be set at the maximum rate of twenty-five cents per line.

4 On August 30, 2010, the EMD filed a petition with the Commission recommending the Commission set the enhanced 911 excise tax at twenty-five cents per switched access line and twenty-five cents per interconnected VoIP service line per month for calendar year 2011. On September 20, 2010, the EMD filed a request to withdraw its petition on the basis that no action by the Commission is required because the excise tax will be set by statute for calendar year 2011. On October 15, 2010, the EMD withdrew this request and reaffirmed its request for Commission action. The Commission believes that an order determining the enhanced 911 excise tax is required under current law, even if its discretion with regard to the level of tax is circumscribed.

FINDINGS AND CONCLUSIONS

- 5 (1) On August 30, 2010, the Military Department, Emergency Management Division, filed with the Commission its annual report of revenues, expenditures, and budgets relating to the statewide provision of 911 services. The Emergency Management Division recommended assessment of the excise tax at the rate of twenty-five cents per switched access line and per interconnected VoIP line per month in accordance with new law effective January 1, 2011. The Emergency Management Division requested to withdraw its petition on September 20, 2010. That request was withdrawn on October 15, 2010.
- 6 (2) The Commission determined that an order in accordance with RCW 82.14B.030(5) is required under current law.
- 7 (3) This matter came before the Commission at its regularly scheduled open meeting on October 28, 2010.
- 8 (4) Assessment of the state enhanced 911 excise tax at twenty-five cents per switched access line and twenty-five cents per interconnected VoIP service line per month for calendar year 2011 is required by law effective January 1, 2011.

ORDER

THE COMMISSION ORDERS:

- 9 (1) Each local exchange company shall collect a state enhanced 911 excise tax in the amount of twenty-five cents per switched access line and Voice over Internet Protocol (VoIP) service line per month and shall remit the amount collected directly to the Department of Revenue on a tax return provided by the Department of Revenue, pursuant to RCW 82.14B.030.
- 10 (2) Each interconnected Voice over Internet Protocol service company shall collect a state enhanced 911 excise tax in the amount of twenty-five cents per interconnected VoIP service line per month and shall remit the amount collected directly to the Department of Revenue on a tax return provided by the Department of Revenue, pursuant to RCW 82.14B.030.

DATED at Olympia, Washington, and effective October 28, 2010.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

DAVID W. DANNER, Executive Director and Secretary