



*i*nformational Bulletin

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Prepaid Wireless E911 Surcharge Rate Change, Effective August 5, 2024

This bulletin is written to inform you of recent changes; it does not replace statutes, rules and regulations, or court decisions.

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To: All retailers and service persons filing Form ST-1, Sales and Use Tax and E911 Surcharge Return, and making sales of prepaid wireless telecommunications service in the city of Chicago

This bulletin supersedes in part FY 2024-11 (N-12/23).

In the city of Chicago, the Prepaid Wireless E911 Surcharge rate imposed on sales of prepaid wireless telecommunications service **decreased from three percent (.03) to zero percent (.00), effective August 5, 2024¹.**

Public Act 103-781 amends the Prepaid Wireless 9-1-1 Surcharge Act to provide that, beginning August 5, 2024¹, the statewide three-percent E911 surcharge rate shall not apply to sales of prepaid wireless telecommunications service in Chicago. 50 ILCS 753/15(a). P.A. 103-781 also reestablishes Chicago's authority to impose a nine-percent Chicago E911 surcharge rate. 50 ILCS 753/15(a-5).

The Prepaid Wireless E911 Surcharge Act provides, however, that any change in the rate of the Chicago-imposed surcharge shall take effect on the first day of the first calendar month to occur at least 60 days after the enactment of the change. As noted in the footnote below, P.A. 103-781 was signed into law on August 5, 2024, so the nine-percent rate takes effect on November 1, 2024.

What must I do for this E911 Surcharge rate change?

You must adjust your cash register and any computer program so that, effective August 5, 2024, you will not collect the surcharge in Chicago. If you use software to electronically file or create your forms, you need to ensure that the E911 surcharge rates are correct in your software. Please contact your software provider for software-related questions. If you collected the Prepaid Wireless E911 Surcharge in Chicago on or after August 5, 2024, the purchaser has a legal right to claim a refund of that amount. If, however, that amount is not refunded to the purchaser for any reason, you are liable to pay that amount to the Illinois Department of Revenue.

What is the Prepaid Wireless E911 Surcharge?

The Prepaid Wireless E911 Surcharge is a charge imposed on the consumer, to be collected by the seller, when a retail transaction takes place that includes prepaid wireless telecommunications service.

IMPORTANT: The E911 Surcharge rate is only applied to the receipts from prepaid wireless telecommunications service sales. Other tangible personal property sold in the same transaction, such as batteries or electronic games, are not subject to the surcharge.

If you sell services subject to the E911 Surcharge that are bundled with other tangible personal property, but you do not separate those services from the other items on the receipt or invoice, or if you do not otherwise document the separation in your records, the entire sale is subject to the E911 Surcharge. Retailers must disclose the surcharge by separately stating the figure on the receipt or invoice or through other documentation. Retailers' records must clearly identify the surcharge for retail transactions.

What is prepaid wireless telecommunications service?

Prepaid wireless telecommunications service is service for which the consumer must pay in advance and is sold in predetermined units or dollars. As the predetermined units are used, the amount remaining available for use declines in a known amount. Examples include prepaid calling cards and minutes added to "pay-as-you-go" phones.

How do I report sales subject to different surcharge rates?

If you have receipts from sales of prepaid wireless telecommunications service subject to both the new zero percent (0.00) surcharge rate in Chicago and the surcharge rate in effect in Chicago prior to August 5, 2024, you must report any sales at the prior three-percent (0.03) rate using Line 3a of Schedule B on Form ST-1. Sales at the zero percent (0.00) surcharge rate in effect August 5th are reported on Line 2a of Schedule B.

Note: Only use Line 3a of Schedule B when you need to report sales subject to a surcharge rate that is different than the rate in effect at the time you file your return. We do not permit use of Line 3a for any other purpose.

Did the Prepaid Wireless E911 Surcharge rate change outside of Chicago?

No. The E911 Surcharge rate outside the city of Chicago remains at 3 percent (.03).

Where can I verify the Sales and Use Tax and Prepaid Wireless E911 Surcharge rate I should be collecting?

Use the **Other Miscellaneous Taxes, Fees, and Surcharges page** in our Tax Rate Database on our website at tax.illinois.gov to look up location specific tax and surcharge rates. If you file electronically using MyTax Illinois, the rates will be populated for you according to your registration.