

Florida Department Of Revenue
Tax Information Publication

TIP 00A01-03
DATE ISSUED: Jan 24, 2000

Sales Tax on Prepaid Wireless Telephone Accounts

SUPPLEMENT TO TIP NO. 99A01-18

Effective July 1, 1999, sales tax, at the rate of seven percent, is due on the sale or recharge of a prepaid telephone calling card at the moment of sale to the customer. The statutory definition of "prepaid telephone card" includes the right to make telephone calls using a prepaid mobile account. Therefore, sales tax must also be collected on the sale or recharge of prepaid wireless telephone accounts at the time of sale or recharge. The sales tax on prepaid wireless telephone accounts is computed on the amount of the prepayment at the rate of seven percent, plus any applicable discretionary sales surtax imposed in the county in which the service is sold. Discretionary sales surtax is not due on the sale of a traditional prepaid telephone calling card, the primary purpose of which is to make long distance telephone calls.

FOR MORE INFORMATION

This document is intended to alert you to the requirements contained in Florida laws and administrative rules. It does not by its own effect create rights or require compliance.

For more information call Tax Information Services, Monday - Friday, 8:00 a.m. to 5:00 p.m., ET, at 850-488-6800.

Hearing or speech impaired persons should call our TDD at 1-800-367-8331 or 850-922-1115.

For a detailed written response to your questions, write the Florida Department of Revenue, Tax Information

Services, 1379 Blountstown Highway, Tallahassee, FL 32304.

For forms and other information, visit our Web site at
<http://sun6.dms.state.fl.us/dor/>.

Get tax forms quickly by FAX ON DEMAND. Call 850-922-3676,
twenty-four hours a day, seven days a week, using your fax
machine handset and follow the instructions.

References:

Ch. 99-363, L.O.F.

Section 212.031(1)(a)5., F.S.

Section 212.05(1)(e)1.a., F.S.

47 C.F.R., part 22, subpart H

47 C.F.R., part 90, subpart S

47 C.F.R., part 24, subparts D, E